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Policies of Exclusion For Czechs and Slovaks

Democracy Seen at Risk In Bratislava

Prague Law Limits Rights Of Gypsies

By Stephen Kinzer
New York Times Service

PRAGUE — Nearly three years ago, Verona Slobodnikova suddenly felt like a foreigner in her own country. A well-dressed, red Czechoslovak identity card, with its faded black-and-white photo, no longer gave her the rights accorded to citizens because the country split in two at the start of 1993.

"I can't go to a doctor and get it paid for by the state like I used to," said Mrs. Slobodnikova, who was born in Slovakia but has lived in Prague since childhood. "I can't apply for a job. They ask you in the first meeting at the job center for your citizenship papers."

Theoretically, she could apply for Czech citizenship. But Mrs. Slobodnikova has found that becoming a citizen again is not so easy. A 1993 law says she must renounce her Slovak citizenship and meet stiff new requirements for Czech citizenship that some human rights advocates assert are the most discriminatory in Europe since World War II.

The Czech Republic is viewed in the West as a bastion of tolerance and lofty ideals, a country that has most easily made the transition from communism to democratic values.

"I'm not sure they're aware of the fact that they're slowly being pushed aside," said Frantisek Sebej, who was chairman of the foreign relations committee in the Czechoslovak Parliament from 1990 until the country split apart at the end of 1992, and who now belongs to a small opposition party in Slovakia.

"We are becoming an authoritarian country run by people with no ideology, just an insatiable hunger for power," he said. "The word fascism doesn't fit, but this is becoming an intolerant, highly centralized nationalism state."

Western diplomats say Mr. Meciar's government is seeking to consolidate its power with undemocratic tactics.

The civil service and the government-run television system, for example, have been purged of people suspected of being insufficiently loyal. Judges who are considered unreliable have found their budgets cut. Members of Parliament from the opposition Democratic Union are being threatened with expulsion on the ground that their election petitions included invalid signatures.

Political loyalty has also become a factor in handing out federal subsidies to local governments. In the capital, Bratislava, many street lights are dark at night. Local officials say the city cannot pay its electric bills because Mr. Meciar is withholding funds to punish voters for choosing an opposition mayor.

Several draft laws now circulating among members of Parliament, all of which would centralize more power in Mr. Meciar's hands, have also caused concern in the West.

One proposal would reduce autonomy at universities, another would make it more difficult for the Constitutional Court to declare laws unconstitutional, a third would restrict the activities of private organizations and a fourth would punish citizens who make negative statements about the country that they cannot prove to be true.

Two opposition figures, Peter Toth, a journalist, and Frantisek Moklosko,

See SLOVAKIA, Page 5

See GYPSIES, Page 5

A Japan Kingmaker Who Would Be King

By Kevin Sullivan
Washington Post Service

TOKYO — Ichiro Ozawa, for years the backroom kingmaker of Japanese politics, became a likely candidate for prime minister on Wednesday when he was easily elected president of the leading opposition party.

Mr. Ozawa, 53, defeated former Prime Minister Tsutomu Hata by nearly 2 to 1 in the race for the presidency of the New Frontier Party, injecting new energy into a Japanese political world suffering from a lack of direction and leadership.

"To encourage the healthy development of parliamentary democracy and for the stability of Japan in the 21st century, reform is needed now," Mr. Ozawa said at a news conference after his victory.

Mr. Ozawa's victory means that he and Ryutaro Hashimoto, 58, the tough-talking trade negotiator who was elected president of the powerhouse Liberal Democratic Party in August, are now the two most probable candidates to succeed Prime Minister Tomiichi Murayama in the next elections.

Those could be held as early as this spring, given the increasing fragility of the left-right ruling coalition grouping the Liberal Democrats, Mr. Murayama's Social Democratic Party and a third party. A surprise prime ministerial candidate could always emerge, but the odds-on favorite now are Mr. Ozawa and Mr. Hashimoto, two of the most controversial politicians in Japanese politics.

Mr. Ozawa is considered brilliant and visionary by his admirers and tyrannical and devious by his critics. While he is widely admired for his intellect, his hard-charging, authoritarian style has made him unpopular in many political circles.

His reputation is similar in many ways to that of Mr. Hashimoto, the prickly trade negotiator who took on the United States in last summer's auto trade talks. His toughness and flamboyance have won Mr. Hashimoto as many critics as supporters.

"I would say Hashimoto and Ozawa are both from the same school," said Robert M. Orr Jr., an American business executive and political observer in Tokyo.

Both men learned their politics in the



Zoran Bozic/The Associated Press

Phil Gramm's Uphill Fight to Stay Even The Tenacious Texan Chases Dole and the Nomination

By Sam Howe Verhovek
New York Times Service

FLAGSTAFF, Arizona — There is a kind of offbeat charm in the roguish self-deprecation of William Philip Gramm, the Texas senator who wants to be the next president of the United States.

Campaigning in Phoenix recently, Mr. Gramm was introduced to 2½-year-old Leah Clark, a dazzling little towhead, by her proud parents. "I had a girlfriend once named Leah," drawled Mr. Gramm, tickling the toddler under the chin. "She dumped me!"

Phil Gramm's style may or may not captivate the voters. But for the most part, Mr. Gramm, who a colleague once said was "charismatically challenged" and whom Texas Monthly magazine described as a man with "the round, wizened face of a snapping turtle," never planned to win the presidency with a charm offensive anyway.

Instead, he has tried to storm his way to the Republican nomination with the twin bludgeons of an unbendingly conservative economic message and an enormous campaign war chest.

Now, though, with the 53-year-old senator having clearly failed to build any air of

inevitability about his own nomination, his campaign emphasizes a less ambitious proposition: that there is nothing inevitable about the nomination of the front-runner, Bob Dole. "We're where we want to be," he mused in an interview. "I said at the outset of the year that the point was to establish Phil Gramm as the viable conservative alternative to Bob Dole. We have achieved that."

CAMPAIGN '96
Presidential Contenders
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But several state and national polls suggest that at least three other Republican challengers can lay claim to the mantle of Mr. Dole's chief rival or, perhaps more accurately, that none of them can. Mr. Gramm is stuck in a crowd.

So, rather than dueling with Mr. Dole head-on, the Texas senator rattles off the reasons that he should be taken more seriously than the rest:

• Lamar Alexander, former governor of

Tennessee: "No money; no message."

• Steve Forbes, the multimillionaire: "People are not going to vote for Forbes; he's not plausible."

• Pat Buchanan, the political commentator: "He's a protest vote against Dole. If I convince people that I have a chance of beating Dole, they'll desert Buchanan in droves."

The essence of Mr. Gramm's strategy remains unchanged: finish close enough to Mr. Dole in the Iowa caucuses and the New Hampshire primary to establish himself as the prime alternative, then overpower Mr. Dole in a string of more conservative Southern and Western state primaries that follow.

Mr. Gramm dismisses his standing well below Mr. Dole, insisting that they are largely based on name recognition and that a true reflection of the race is his victories

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Still, by this point in the campaign, Mr. Gramm had clearly hoped to be spending most of his time building the case against

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Serbs Accused Of Trying to Wreck Peace Over Sarajevo Request to Postpone City's Reunification Denounced as a Ploy

Compiled by Our Staff From Dispatches

WASHINGTON — The foreign minister of the Muslim-led Bosnian government accused the Bosnian Serbs on Wednesday of trying to scuttle the Balkan peace plan through delayed reunification of Sarajevo under Muslim rule.

The Serbian leadership "sees the issue of Sarajevo as a way to break the back of the peace agreement," Foreign Minister Muhamet Sacibey said at his embassy here.

He said Bosnian Serbian leaders were hoping to derail the U.S.-brokered pact that formally ended the war on Dec. 14 "for the simple reason that the road to peace means, for many of them, a one-way ticket out of political office or, more importantly, a one-way ticket to The Hague."

The Hague is the site of the International War Crimes Tribunal, which has charged the Bosnian Serbian military commander, Ratko Mladic, and the civilian leader, Radovan Karadzic, with war crimes.

Warring factions, meanwhile, seemed set to meet the deadline for pulling back from confrontation points, but the peacekeepers' deployment has been disrupted because of flash floods that hit a French Foreign Legion camp.

The White House indicated Wednesday that it would respond positively to a NATO request to install U.S. radar around Sarajevo to replace British and Dutch radar being moved to northwestern Bosnia.

The Washington Post had reported that British General Michael Walker, commander of NATO ground troops, had asked for two radar installations capable of quickly tracing any artillery fire back to the offending muzzle to allow for an immediate response for any attack on allied forces.

"We will meet our obligations under the integrated NATO plan, and they have always talked about counterbattery operation being central in and around Sarajevo," said the White House spokesman, Michael McCurry. "I leave it to the NATO people to talk about the hardware involved."

The White House spokesman denied that sending the radar would lead to missile escalation, with U.S. troops progressively exceeding their mandate without proper planning, as happened in Somalia in 1993.

On Tuesday, Bosnian Serbian leaders appealed to the commander of the NATO-led peace force in Bosnia, U.S. Navy Admiral Leighton Smith, to postpone the scheduled government takeover of Serbian-held districts of Sarajevo. The transition is scheduled to be completed in less than three months.

The North Atlantic Treaty Organization rejected the request, which reflected Serbian fears of living under Muslim rule in suburbs of a capital shattered by Serbian shelling during a three-and-a-half-year siege.

In Sarajevo, warring factions seemed set to meet a midnight Wednesday deadline for pulling back from front-line flash-

See BOSNIA, Page 5

AGENDA

France Conducts 5th Nuclear Test

PARIS (Reuters) — France staged the fifth of its nuclear weapons tests in the South Pacific on Wednesday, a Defense Ministry spokesman said.

The spokesman said the underground blast, equivalent to less than 30 kilotons of conventional explosives, had been detonated at the Mururoa Atoll in French Polynesia at 2130 GMT.

It was the fifth in a series that broke a 1992 moratorium on French nuclear testing. The first took place on Sept. 5, the second on Oct. 2, the third on Oct. 27 and the fourth on Nov. 21.

The United States expressed disappointment after France announced the latest test.

"We're disappointed that France does continue to conduct tests," Julie Resile, a State Department spokeswoman, said

in Washington. "We have supported a temporary ban on all nuclear testing and would like to see other nuclear powers support such a ban as well."

President Jacques Chirac has said that France will probably conduct six tests, two fewer than originally planned.

PAGE TWO

Honduras Struggles With Its Past

ASIA More Chinese Muscling in Hong Kong

EUROPE Paris Denies Cover-Up on Pilots

BUSINESS/FINANCE Good Omen for Japanese Economy



Ichiro Ozawa celebrating in Tokyo.

She's Old (120), but She Drives a Very Hard Bargain

By Barry James
International Herald Tribune

PARIS — When André-François Raffray bought Jeanne Calment's apartment 31 years ago — with her still in it — he had every reason to congratulate himself on a good deal.

The agreement was that he would pay her 2,500 francs (currently \$508) a month until she died, on condition that he would inherit the apartment in the pleasant southern town of Arles. Since she was then 90, he gambled that he would not have long to wait.

But Mrs. Calment, aged 120 years and 309 days, has gone on to become the world's oldest living person as far as official records are concerned. Mr. Raffray, a lawyer in Arles, died on Christmas Day at 77.

By final reckoning, he had paid Mrs. Calment at least three times what the apartment was worth.

She tried to console him on her 120th birthday by saying, "We all make mistakes in life."

Despite this cautionary tale, the popularity of this form of home-buying shows no sign of disappearing in France. It is a long-established custom, known as "viager," or "in life."

Maupassant wrote a short story about it and a movie called "Le Viager" appeared in 1971.

Ghoulish though the practice may be, some of the stories of elderly widows cheating death while capitalists pray for them to drop dead could be taken right out of Balzac.

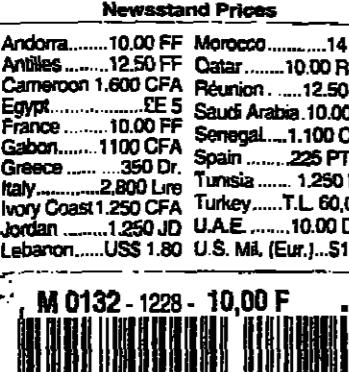
The rough rule is that the older the seller, the higher the price and the monthly "rent" the buyer has to pay while

the occupant is still alive. About 4,500 properties change hands this way every year. But as Mrs. Calment's longevity proves, the practice is far from risk-free. France has so many centenarians — some 5,000 — that the Social Security system recently had to program its computers to recognize people born more than 100 years ago.

Mr. Raffray, a notary accustomed to handling such deals, could not have known this in 1965, when he signed on to take over Mrs. Calment's apartment when, and if, she died and to pay her the monthly fee for the rest of her life. In 1965, only a handful of people made it to 100.

Charles de Gaulle was luckier. Or, perhaps, more astute. He bought his house in Colombey-les-Deux-Eglises from a widow to whom he also agreed to pay a lifelong annuity. She died two years later.

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Down	Up
4.34	0.06%
5105.92	132.63
The Dollar	
Wed. close	previous close
DM 1.4335	1.4305
Pound 1.56	1.56
Yen 102.83	102.33
FF 4.8975	4.902

State-Sponsored Violence on Trial / Military Defies President and Courts

Honduras Struggles to Come to Grips With Past

By Larry Rohter
New York Times Service

TEGUCIGALPA, Honduras — During its decade-long "dirty war" against suspected guerrilla sympathizers, the Honduran military kidnapped, tortured and killed dozens of people, confident that the armed forces' enduring grip on power meant that they would never be held responsible.

Now, for the first time, a civilian court has charged 10 military officers with those and other human rights violations in the 1980s. But the commander of the armed forces is openly defying the elected civilian president.

With the commander's backing, some of the indicted officers have gone into hiding, and it is not clear whether they will ever be brought to justice.

The struggle has preoccupied this Central American country of 5.7 million people for months, and threatens to undo a delicate balance of power between the military and the civilian authorities.

Like Argentina, Chile and other Latin American countries, Honduras has discovered just how difficult and dangerous it can be to come to grips with the state-sponsored violence of its recent past.

Until December 1993, the human-rights abuses of the 1980s and the military's role in them were a taboo subject here. But that changed when the government's commissioner for human rights, Leo Valladares Lanza, published "The Facts Speak for Themselves," a voluminous study that documented the forced disappearance and presumed deaths of 184 people.

In the report, Mr. Valladares said that at least 26 clandestine cemeteries were scattered around the country and that 100 or more current or former Honduran military officers might have been involved in the kidnappings. He singled out an elite unit called Battalion 316, organized and trained with the support and advice of the United States and Argentina, for the worst abuses.

Since then, the government's special prosecutor for human-rights violations, Sonia Dubon de Flores, and Judge Roy Medina, leader of a judicial inquiry into abuses by the military, have been trying to bring those responsible to justice.

In July, to the shock of civilians and soldiers alike, the 10 military officers were charged with kidnapping and torturing six leftist college students in 1982. Unlike most of those who disappeared, the students survived.

"This is the first time in Honduras that a civilian court carries out a trial of senior army officers," Judge Medina said at the time. "The judicial process will run its course, and I will soon call these military officers to appear."

The Central Intelligence Agency also is slowly and belatedly confronting the consequences of fighting the Cold War in Central America. Throughout the 1980s its ties to the Honduran military were deep.

Senior Honduran military officials, including some who oversaw Battalion 316, went on the CIA payroll, U.S. officials said. They were paid for information and for their help in the Reagan administration's clandestine war against the Sandinista government in Nicaragua and leftist guerrillas in El Salvador.

The CIA's role in the creation of Battalion 316 was substantial, former U.S. and Honduran military and intelligence officials said. General Luis Alonso Discua, commander in chief of the Honduran military for the last five years, received U.S. training and advice before he became the battalion's first commander.



General Luis Alonso Discua, the Honduran military commander, who has defied efforts to prosecute officers for rights abuses.

U.S. officials said the agency instructed the battalion's members in purely nonviolent means of interrogation and how to spy on suspected subversives. But an internal review at the agency may unearth harsher facts.

The director of Central Intelligence, John M. Deutch, who ordered the inquiry, has called the CIA's work in Honduras an example of "how not to do things." He has not decided whether any part of the report, due in January, will be made public.

General Discua has always scoffed at the accusations against him and his troops. "I don't believe there have been violations of human rights in Honduras," he said recently.

"There was a war between two forces. There are many soldiers dead and many civilians who died because of terrorist attacks, bombings and acts of subversive criminals. This logically created a problem of extraordinary circumstances, as in Guatemala, El Salvador and Nicaragua."

Nevertheless, the military has responded to the Honduran government inquiry with intimidation and outright disobedience.

In August, just after the first indictments were announced, General Discua sent armored personnel carriers and artillery into the streets of the capital and warned: "The armed forces will adopt actions if there is any problem of partiality in the courts."

But Judge Medina plumped ahead and in October ordered the detention of three of the 10 accused, including Colonel Alexander Hernández Santos, a former operations chief of Battalion 316 who is now inspector general of the national police. All three officers immediately dropped out of sight and remain in hiding.

Instead of ordering his men to surrender to the judicial authorities, General Discua supported their position. "The armed forces do

not trust the present system of justice," he declared. "The accused officers will not submit to the courts while there is no assurance of justice in Honduras."

The national police, which is under General Discua's command, is supposedly searching for the fugitives.

"We are continuing to look for them, but we cannot find them," Danilo Orellana, a police spokesman, told Honduran journalists, whose newspapers have reported that Mr. Hernández has taken refuge on a ranch he owns and that the other officers are hiding on a military base near the capital.

President Carlos Roberto Reina maintains that he is powerless to prevent such defiance. Though nominally in charge of the military, the president recently expressed concern that any edict to hand over the fugitives would be disobeyed and, with that, his prestige diminished.

"Sure, I can order any member of the armed forces to do anything," he said on Dec. 4. "But the problem is that some of them won't turn up. They are out there in hiding somewhere, and the order would remain hanging in the air."

Judge Medina has received death threats and, after two men recently fired on his courthouse, shouting that he should "come out so we can kill him," he reluctantly accepted a bodyguard. A security guard for Mr. Valdáez was shot to death.

"The more you investigate, the more is revealed, the more threats there are," said Dr. Ramón Custodio López, director of the Honduran Human Rights Commission. His wife was beaten and had acid thrown in her face during his efforts to help the inquiry.

Mr. Custodio, a psychologist, said four retired sergeants and two informants, all affiliated

with military intelligence, were killed over a two-week period in October. The human rights leader said information given to his group indicated that all six men had been "summarily executed" because "they may know a great deal about what took place in the 1980s."

Government investigators had only marginally better luck in obtaining cooperation and assistance from the United States. Mr. Valdáez first wrote to the U.S. Embassy here in 1993 asking that U.S. government documents about Battalion 316 be declassified; he reiterated his request in July 1995.

In October a State Department spokesman, Nicholas Burns, said in Washington: "We want to provide as much information as possible and as quickly as possible," since "our aim is to promote better respect for human rights and national reconciliation in societies like Honduras."

But in an interview in early December, Mr. Valdáez said that so far he had not received any of the promised information.

Honduran judicial authorities have insisted that two former U.S. ambassadors return to testify under oath. John Negroponte, now ambassador to the Philippines, headed the U.S. mission here at the height of the Central American conflicts and was succeeded by Chris Arco, now an executive AT&T. But the United States has declined to make either man available, invoking diplomatic immunity.

Coming Up
As economic reforms enrich China's cities, the disparities between the coastal rich and the poor peasants in interior provinces have become so great that some critics are warning of civil war.

An Israeli Pullout Ahead of Schedule Ramallah Withdrawal Helps Set Stage for Vote

By Barton Gellman
Washington Post Service

JERUSALEM — The last Israeli Army jeep pulled out of Ramallah ahead of schedule on Wednesday, leaving Palestinians in control of nearly all their West Bank population centers and setting the stage for elections Jan. 20.

Israel said Wednesday that it would release more than 1,000 Palestinian prisoners next week.

Israel is believed to be holding more than 4,000 Palestinian "security prisoners," some of whom have been convicted of violent crimes but many of whom have never been charged with a specific offense.

Ramallah, just north of Jerusalem, has become a political and economic hub for Palestinians since the movement toward self-rule began. The real-estate market is booming; Arab banks are coming in, and several senior figures of Mr. Arafat's authority have made it their home.

There were no serious casualties in the two-month operation, although the army had its dignity bruised from time to time. Israeli soldiers had to flee Nablus in haste, and some Palestinians burned a flag they left behind, but in Bethlehem local children handed flowers to the Israeli as they drove off.

Ramallah fell between those poles: the Israelis packed up efficiently and sped away as flag-waving crowds shouting "Soldier go home!" and youths threw a few stones at the trail of dust they left behind.

Yasser Arafat's appointed governor of Ramallah, Mustafa Issa, known better here as Abu Firas, moved swiftly to fill the vacuum, using the first cohort of what will be 1,200 policemen to take possession of Israeli police and military posts.

"We hope to be able to facilitate the meeting on a broad range of issues," said Glyn Davies, speaking for the State Department.

At stake are the future of the Golan Heights and the prospect of relations between the two countries that have fought three major wars since Israel's founding in 1948.

Prime Minister Shimon Peres, determined to accelerate peacemaking with Israel's Arab neighbors, has signaled President Hafez Assad of Syria that for the right peace terms Syria could recover the border buffer zone in its entirety.

TRAVEL UPDATE

Food Drops in Northern Scotland

LONDON (AP) — Helicopters were dropping emergency food on Wednesday to remote towns in northern Scotland, which has been hit by the worst snow storms on record.

All roads remained blocked on the Shetland Islands, where the local authority declared an emergency on Tuesday.

Heavy snow and freezing fog also blanketed parts of northern England and Northern Ireland.

Rains and Snow Cause Havoc in Spain

MADRID (AP) — Heavy rains, snow and winds up to 90 kilometers an hour have caused at least four deaths in three days while floods have closed highways and slowed traffic through much of the country, authorities said Wednesday.

Rains are being blamed for fallen trees, cut electricity lines and overflowing rivers in central and northern regions that have flooded farmland and city streets.

After more than a week of rains, travel advisories continued for principal highways and smaller roads. Heavy fog and rains hampered port traffic in coastal cities. Towns near rivers around the south-central city of Cáceres were put on alert for further flooding, according to meteorology officials.

Tourism in Indonesia in 1995 will total 4.3 million people, up from 4.01 million a year earlier, the minister for tourism, post and telecommunications, Joop Ave, said. (Reuters)

Troubled by pigeons that got sucked into aircraft engines, the Taiwan government said it had banned the raising of the birds near airports. The Civil Aeronautics Administration said pigeons could not be kept within a radius of five kilometers from the ends of airport runways.

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Fear and Squalor in the Niger Delta Amid Vast Riches of Oil

By Stephen Buckley
Washington Post Service

ULIAKATA, Nigeria —

Logs and sticks form a path over the creeks that weave through this tiny village in southern Nigeria. After a quarter-mile, the waters grow black-brown. The surrounding land is stained a similar color. An acrid odor soaks the air: oil.

Sweatless men, drenched in sweat in the hammering mid-morning heat of the Niger River delta, haul buckets of oil that eventually will be dumped into two roadside tanks, each with a capacity of hundreds of gallons. One tank is full; the other is halfway there.

When an oil pipeline ruptured last June, villagers say, the spill contaminated five lakes and two creeks, poisoned their fishing ponds and rendered their farmland virtually useless. They say 17 children have died since the accident, which they fear contributed to the deaths.

For all this they blame the Shell Petroleum Development Co. of Nigeria, the dominant oil producer in black Africa's most populous country. For its part, Shell blames the government, and the people remain caught in the middle.

Uliakata, which lies about 35 miles (60 kilometers) northwest of Port Harcourt, is just one of many areas in the southern Niger delta whose inhabitants accuse Shell of wrecking their environment and failing to develop their villages and towns. Despite their mineral wealth, communities in these areas are among Nigeria's poorest. They endure hundreds of oil spills annually and typically lack roads, electricity, running water, schools and medical facilities.

In recent weeks, human rights groups and environmental activists have implored Shell to leave the West African country of 100 million people, whose military regime executed nine political activists last

month, igniting worldwide anger.

The activists executed last month — among them the playwright and poet Ken Saro-Wiwa, or Mosop, which had launched a worldwide campaign against Shell's policies in Ogoniland, a region of about 500,000 people just east of Port Harcourt.

Shell has not made community development a top priority, but the problem ultimately is with the government," said an activist with the Civil Liberties Organization in Rivers State, which produces 60 percent of Nigeria's oil. "But the people do not concern themselves with that. They only know that they are the ones suffering."

Oil discovered in Nigeria in 1956, provides more than 90 percent of the country's export earnings and 80 percent of the government's revenues. Nearly 50 percent of the crude goes to the United States, by far Nigeria's largest oil customer.

Shell, which produces 50 percent of this nation's oil and began its Nigeria operation in the 1950s, is one of several companies that have a share of the industry. All are part of joint ventures with the government, which holds a stake of 55 to 60 percent in each partnership.

Shell's troubles began in 1990, when Mosop was born. Led by Mr. Saro-Wiwa, the group embarked on an international campaign to draw attention to the people in the 82 communities that make up Ogoniland. Mosop sought \$10 billion in reparations from Shell.

From 1985 to 1993, the year Shell ceased operations in Ogoniland, that region suffered at least 111 oil spills. Pollution blighted farmland, forcing landowners to grow food in tiny plots. Shell asserts that 77 of the Ogoni spills resulted from sabotage and says the shrinkage in farmland is a result of rapid

population growth. Company officials add that they have drawn up plans to improve agriculture, schools and roads and have begun a scholarship program for Ogoni students.

Nigerian government officials say Ogoniland's problems are common throughout Nigeria and the Niger delta, home to some 6 million people.

They deny that the government has neglected oil-producing areas because those communities, composed of small ethnic groups, historically have held little political power.

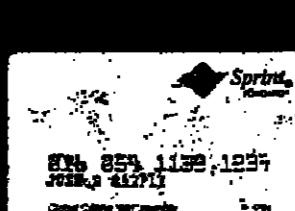
But they do admit neglect.

"We are trying to redress the basic services that these communities have been lacking," said Colonel Dauda Musa Kojo, administrator of Rivers State, adding that his state has just launched a long-term program of 240 public-works projects.

Such facts embitter residents of towns such as Oloibiri, a community 60 miles west of Port Harcourt where oil was first discovered in Nigeria.

A sign proclaims the riverside town as "the goose that laid the golden egg," but many residents, blaming Shell and the government, contend that the egg proved to be rotten.

THE EASIEST WAY TO
GET BACK HOME WITHOUT
RUBY SLIPPERS.



COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBER	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBER
American Samoa	622-1000	Colombia	990-136-010	Indonesia (Bali)	008-901-13	New Zealand (Wellington)	004-030-000
Anguilla (2 different phone numbers)	800-1	Costa Rica	0320-001-03/0223	Iceland	1-800-35-2001	Switzerland	155-0777
Anguilla (1 phone number)	1-800-222-4663	Croatia	99-381-0113	Ireland	177-02-27-27	Syria	0888
Argentina	22-1-800-222-1111	Cyprus	080-200-21	Italy	177-02-27	Taiwan	0080-14-0877
Armenia	8-10-135	Czech Republic	0043-007-107	Japan (Tokyo)	0080-877-8000	Thailand	001-0977-0077
Aruba	800-287-0000	Denmark	800-0-0077	Japan (Okinawa)	0080-877-1000	Panama	1115
Australia (00110000)	1-800-222						

THE AMERICAS

Brazil's Tenacious Peasants Win a Key Round in Their Fight for LandBy Gabriel Escobar
Washington Post Service

CARUARU, Brazil — Across from the neat path that leads to the Normandie estate's imposing manor lies a chaotic squatter campground whose unsanitary tents, which pass for homes, are made of twigs and twine, plastic and paper. Yet the camp gives the impression of permanence, since the squatters have been here for three years and have no intention of leaving. There is a reason for their persistence.

This camp is a home, but above all it is a political statement — a powerful one these days here in the northeastern state of Pernambuco and throughout Brazil — and the appearance of permanence is crucial to the struggle.

Throughout Brazil this year, in 90 or so settlements like this, thousands of peasants organized by the 15-year-old Landless Worker Movement have been turned into an indomitable army of occupation.

Armed with picks and shovels

and marshaled by the media-savvy national organization, these ragtag squatters have fought off violent attempts at evictions, suffered and inflicted casualties and in the process have made land reform a surprising national priority in a country in which 1 percent of the population owns 45 percent of the privately held land.

In his tent, where a yellow drinking cup and other homely touches hang from the ribs of twigs that hold the thing together, 74-year-old Arlindo Francisco Versosa has constructed a bed that could well serve as a metaphor for the suddenly influential Landless Worker Movement.

Like the remarkably solid bed, which is made of thin rope, slender branches and a few stubby limbs, the movement itself draws its strength from assembling the weakest and most plentiful element of rural Brazil: the landless peasant.

That simple formula is about to convert Mr. Versosa, a descendant of slaves, from foot soldier in the

movement into unlikely conqueror. Any day now, Mr. Versosa and the other squatters will receive legal right to the land they invaded three years ago, a promise made by none other than Brazil's president, Fernando Henrique Cardoso.

Such victories mark a significant development in Latin Americans' often quixotic quest for agrarian reform, a pursuit that has occupied the left in Brazil since the mid-1800s and has been, to different degrees and at different times, at the core of revolutionary movements throughout the continent, most recently in the Mexican state of Chiapas.

Until this year, the struggle for land reform in Pernambuco, as in the rest of Brazil, had been uphill, with legal and legislative setbacks obscuring the few victories. But this year, the Landless Worker Movement dramatically increased its activism across Brazil, aggressively occupying more land and, for the first time since the early 1960s, forcing the issue onto the national agenda.

Although other important factors are at work here, including a more favorable policy on land reform on the part of Cardoso, many agree that the catalyst for the transformation has been the movement's intractable policy of occupation.

The result, according to members of the movement, politicians and even organizations representing Brazil's powerful landowners, is the emergence of the first powerful rural voice since the rebellious Peasant Leagues of the 1950s. This voice is that of a grassroots movement that has forced a shift in the country's policy on the distribution of land and is now setting its sights on other changes.

Already some leaders of the movement, citing their growing political muscle and the support their cause now receives in national opinion polls, predict they will have a major impact on municipal elections, especially in a few areas where squatters now form the majority of the population.

Such bold talk reflects how far the movement has come. The number of squatters has risen this year

to almost 25 percent across Brazil, this during a period in which the government, responding to the social and political pressure imposed by the movement's activism, has made some significant strides.

Mr. Cardoso has promised to award land to 280,000 families before 1998, and despite a slow start, officials at the land reform office in Brasilia, the capital, say the target of 40,000 families this year will be met.

Although the movement questions that figure, even if fewer families were settled it is still significant, considering that land has been distributed to an average of 9,000 families a year since 1980.

Several important economic, social and political factors have helped the peasant movement. Brazil's agriculture is in crisis, the conversion to a market-oriented economy has dramatically increased unemployment this year, and the migration is now urban to rural as workers return to the country for a life of subsistence. The

landless movement has capitalized on all of this, weaving together a potent political argument that it says has 4 million Brazilian landless families as adherents.

The losers, for now, are people like Andries Tavares, whose family is contesting the Brazilian government's expropriation of the \$2 million Normandie estate, where Mr. Versosa and about 90 families are waiting for plots.

Mr. Tavares questioned the motives of both state and church and wondered why neither was offering its own huge holdings to land reform. This defeated landowner's plaintive call for justice — in a state where the sugar barons' dominion over five centuries has left a bitter legacy — is perhaps the most powerful sign of changing times.

"Here people are now in favor of land reform. My family agrees," Mr. Tavares said, acknowledging what for many was unthinkable in the 1980s. "But it has to be done according to the law, not by invading. We are the victims here."

Mexican Speed Pours Into U.S.**Flood of Cheap Drug Displaces Crack**By Sam Dillon
New York Times Service

MEXICO CITY — Like hundreds of other brash young Mexican narcotics wholesalers working the California market, Jesus Amezcua did well in cocaine, well enough to shuttle between Tijuana suppliers and his Los Angeles clients in a \$50,000 BMW. Then in 1993 the Americans brought a federal indictment against him.

But Mr. Amezcua evaded arrest and adopted a shrewd business strategy that American and Mexican officials say has carried him to the front ranks of Mexican traffickers. Retreating to safety south of the border, Mr. Amezcua shifted from cocaine to a narcotic then surging in popularity across the American West, and now sweeping east: methamphetamine, or speed.

Mr. Amezcua got into speed

at just the right moment. As lawmakers in the United States were clamping down on the "precursor" chemicals used to make methamphetamine, he and his brothers started importing vast quantities of them to Mexico from the Middle East and Asia. He began cooking up methamphetamine in laboratories throughout the Sierra Madre in Mexico and peddling it in the United States through his cocaine sales force.

Because Amezcua's business boomed, other traffickers imitated him. Elbowing aside the American outlaw motorcycle gangs who once dominated production and trafficking, the Mexican drug mafias have flooded the Western United States in recent years with methamphetamine.

The result is a new narcotics epidemic, with cheap speed displacing crack in many Western

cities. The average price nationally for a gram of methamphetamine has dropped by 20 percent over three years, to as low as \$40 from \$50.

The administrator of the Drug Enforcement Administration, Thomas A. Constantine, told Congress recently: "The Mexican traffickers who flooded the U.S. with marijuana and heroin in the 1970s and 1980s and cocaine in the 1990s threaten to overwhelm us with methamphetamine now."

Their complete control over methamphetamine production and trafficking has added to the power Mexican traffickers have accumulated in cocaine, marijuana and heroin commerce at a time when the Cali cocaine cartel in Colombia has been badly disrupted. That has strengthened the view among American and Mexican anti-drug officials that power in the hemispheric drug trade is shifting from Colombia to Mexico.

"We believe that the major drug gangs operating out of Mexico pose the largest threat currently," Mr. Constantine said.

Methamphetamine, which engulfs those who snort or inject it with temporary energy and euphoria, has been in use in the United States since the mid-1960s. But now, with production soaring in Mexican-run labs south and north of the border, abuse has spread widely as prices have plunged.

Although this year the Mexican police seized five tons of ephedrine, one of methamphetamine's main ingredients, trade in precursor chemicals has not been outlawed. But this month, the Mexican attorney general, Antonio Lozano, proposed a bill that would for the first time impose tough sentences — up to 15 years in jail — for traffic in precursors.

Representative Bill Archer, the Texas Republican who is chairman of the House Ways and Means Committee, also tried to turn up the pressure. He said Tuesday that the Clinton administration might be violating the Constitution by juggling the books to permit federal borrowing without congressional approval.

When the Senate left for a holiday recess on Friday that in other years would have lasted through much of December, the chamber passed legislation to return 280,000 furloughed workers to their jobs by declaring them essential.

Sponsored by the majority leader, Bob Dole, the measure, if approved by the House and signed by Mr. Clinton, would last through Feb. 1.

But workers would be paid only after money was approved. The measure's fate was uncertain in the House, where Republican freshmen have promised to continue the partial closure until the White House accepts a seven-year balanced budget plan to their liking.

Mr. Amezcua was no mere purveyor of facts. He challenged lore and debunked myths that had found their way into biographies and reference works.

Rather than repeat the romantic depiction of a bazaar at Mozart's funeral, he consulted weather bureaus and discovered that the story was untrue.

He was also fascinated by unusual details. Readers in search of basic information might in the process learn, for example, that Stravinsky had a toothache the day he completed "Le Sacre du Printemps," or that Schoenberg and Rossini had triskadekaphobia, an irrational fear of the number 13.

He enlivened his dictionary entries with astute, witty and sometimes wagspish observations, and in the later editions of



DRUGS UP IN SMOKE — Peruvian police carrying bags of coca paste to be incinerated at a site near Lima. A record 30 metric tons were destroyed this year.

Budget Wrangling Shifts Into Low Gear*The Associated Press*

WASHINGTON — Their brief holiday break over, congressional leaders and the Clinton administration were slowly reviving talks Wednesday with the budget director, Alice Rivlin, whose staff members would see congressional aides later in the day.

Congressional and White House aides met without their bosses, a gradual start for negotiations that should involve top lawmakers and President Bill Clinton on Friday.

Senator Phil Gramm, Republican of Texas, called on his colleagues to "stand their ground as the budget negotiations resume."

"Senators have something to learn from the determination to stick with principles that has characterized our Republican colleagues in the House," Mr. Gramm, who was campaigning in the Midwest for his party's presidential nomination, said in a statement.

The talks among lower-level aides will do little to alleviate the anxiety of federal workers, whose paychecks will be smaller this week; of tourists, whose plans were changed with the closure of national parks and monuments, and of travelers who desperately need passports.

Sensitive to criticism that the talks are moving too slowly, the White House press secretary, Michael McCurry, said Wednesday: "It is an urgent situation, but the differences that exist between the two sides are very deep, very fundamental."

Nicholas Slonimsky, Musicologist, Dies*New York Times Service*

NEW YORK — Nicolas Slonimsky, a formidably gifted musicologist and lexicographer who also made his mark as a conductor, pianist and composer, died Monday in Los Angeles. He was 101 years old.

Mr. Slonimsky's many reference works, among them "Music Since 1900," "A Lexicon of Musical Invective" and the last several editions of Baker's Biographical Dictionary of Musicians are considered indispensable by musicians, critics and music lovers.

A compendium drawn from his writings, "Nicholas Slonimsky: The First Hundred Years," edited by Richard Kostelanetz, was published last year.

Mr. Slonimsky was no mere

baker, he introduced some musicians with lavish evaluations.

Where The New Grove Dictionary of Music and Musicians soberly describes Mozart, for example, as "one of the composers who brought the Viennese classical style to its height," Slonimsky's identifying sentence reads: "Supreme Austrian genius of music whose works in every genre are unsurpassed in lyric beauty, rhythmic variety and effortless melodic invention."

He was a vigorous champion of new music all his life. In the 1920s he founded the Chamber Orchestra of Boston, and he gave premieres of Ives' "Three Places in New England" in 1931 and Varese's "Ionisation" in 1933. Varese dedicated

the work to him. He also championed Henry Cowell and Carlos Chavez, and conducted Bartok's First Piano Concerto with the composer as soloist.

Philip Areeda, 65, one of the foremost experts on antitrust law in the United States and a White House counsel under Presidents Dwight D. Eisenhower and Gerald R. Ford, died Sunday of leukemia in Cambridge, Massachusetts.

Emmanuel Levinas, a philosopher and thinker who made ethical responsibility for "the Other" the bedrock of his philosophical analyses, died of heart failure in Paris on Monday, a few days before his 90th birthday.

Is It a Vampire? An Alien? Monster Terrorizes Puerto RicoBy Karl Ross
Special to The Washington Post

CANOVANAS, Puerto Rico — A blood-sucking alien predator is ravaging animals throughout the Puerto Rican countryside, or so say this town's mayor and scores of uneasy rural dwellers.

Misael Negron, a 25-year-old college student, is one of 15 Canovanas residents who say they have had a close encounter with the beast, known here as the "chupacabra," or, in its literal English translation, "goat-sucker."

"I was looking off the balcony one night, and I saw it step out of a bright light in the back yard," Mr. Negron said. "It was about three or four feet

tall with skin like that of a dinosaur. It had bright red eyes the size of hen's eggs, long fangs and multicolored spikes down its head and back."

True to its name, the creature attacked the family goat, said Mr. Negron, draining the blood from its neck and disemboweling the animal.

Tales of blood-thirsty monsters have gripped the collective jugsular of this U.S. commonwealth in the past. But none have left a trail of carnage as extensive as the chupacabras.

"This is not a joke," said the mayor of Canovanas, Jose R. Soto. "A number of my constituents have lost animals in the past few months. We're taking it very seriously because it's killing animals right now, but people could be next."

The government gave some credence to the chupacabra hysteria recently by launching an investigation of the night attacks. At least part of the reason was concern about its impact on the tourist industry. Puerto Rico is just now rebounding from a drop in tourism, and tourist dollars, caused by water problems last year and an oil spill two winters ago.

The creature earned its name because many of its earliest victims reportedly were goats. But, according to the nearly daily accounts of animal mauvais, its diet also includes cattle, chicken, sheep, pigs, dogs, cats, even peacocks. Jose Espinosa, public information officer for the State Civil Defense, said that although many here had mentioned everything from aliens to vampires, he was certain there was a rational, down-to-earth explanation for the recurrent attacks, but he has yet to figure it out.

Carlos Soto, a veterinarian who has examined the remains of a Doberman pinscher and seven rabbits killed by the mystery predator, says he is convinced that something very strange happened to them.

"In each case the cause of death were two deep puncture wounds under the right side of the neck," Dr. Soto said. "The wounds extended into the animals' brains, killing them instantly. The wounds were about the diameter of a drinking straw, and three to four inches in length. They weren't compatible with the bite of a dog, a monkey or any animal I've ever studied."

For Madeline Tolentino, 31, of Canovanas, the chupacabras is no mystery. She and her mother stayed at the chupacabras for three minutes or so one day when it paused on the sidewalk in front of their home.

Ms. Tolentino said the creature was built "like a kangaroo without a tail," with powerful hind legs. She also noted a web-like film hanging beneath its short, pudgy arms.

With her husband and a co-worker at the garage across the street, they tried to tackle it, but it slipped away from them, she said. "After it was over, I said to my mother, 'We'd better not tell anybody about this because they'll think we're crazy.'"

Away From Politics

• The median medical malpractice jury award in the United States jumped 40 percent this year, to \$500,000. The increase from a median award of \$356,000 in 1994 marked a return to 1993's record-setting half million dollar levels, Jury Verdict Research Inc. said in a report.

• A thousand Astro-Lounger recliner armchairs are being recalled because the space between the chair's seat and leg rest is big enough to trap a child's head, the Consumer Product Safety Commission said.

• Leaking gas caught fire and blew the roof off a ranch house in North Ridgeville, Ohio, killing a woman and seriously injuring her husband.

"The IHT ran a TWA advertisement in its December 23-25 and December 26 issues announcing a 'guest for free' offer. This was not a valid offer by TWA and the IHT printed the ad in error."

China to Name Panel On Colony's Future

New Committee Will Rival Hong Kong's Legislature

By Kevin Murphy
International Herald Tribune

HONG KONG — Largely ignoring Hong Kong's most popular elected politicians, Beijing will name 34 prominent business leaders to a powerful committee that is planning for the British colony's handover on July 1, 1997, according to reports published Wednesday.

The 150-member Preparatory Committee is designed to help implement and advise Beijing on the myriad details of Hong Kong's final transition to Chinese rule.

It will also favor Hong Kong appointees over those from China in keeping with the "One country, two systems" and "Hong Kong people running Hong Kong" slogans that Beijing says guide its intentions toward Hong Kong.

But with Beijing vowing to dismantle the territory's existing Legislative Council in 18 months' time, analysts said the new committee is likely to emerge as a potent rival to Britain's remaining political influence in the community.

"The real question is how this committee will promote Hong Kong's interests when those interests aren't aligned with China," said Bob Broadfoot, managing director of Political and Economic Risk Consultancy Ltd., as quoted in a Bloomberg Business News report.

According to a report in Hong Kong's Chinese language Ming Pao newspaper, Beijing will name 14 of 60 currently sitting Legislative Councilors to a Preparatory Committee that will be nearly two-thirds dominated by Hong Kong appointees.

But none will come from the Hong Kong Democratic Party, led by Martin M. C. Lee, or

aligned groups that have angered Beijing with calls for greater democracy.

Nor will the Preparatory Committee include representatives from business firms still clearly linked to Hong Kong's weakening colonial business and administrative elite.

The composition of the new committee, to be formally announced Thursday in Beijing after approval by the Standing Committee of the National People's Congress, has featured heavily in local media reports.

Governor Chris Patten was criticized this week by Chinese officials for interfering in post-1997 matters through his comments that the local community sought a broader range of representatives than would be included on Thursday's list.

At the same time, a member of the National People's Congress Standing Committee, Tsang Hin-chui, on Tuesday denied reports that the Preparatory Committee's selection had favored influential Chinese provincial officials who thought they, too, should have been included on the list.

On several occasions the Preliminary Working Committee, which did not include many of the top business leaders likely to be named to the Preparatory Committee Thursday, made policy recommendations to Beijing that jarred local confidence.

The heavy presence of local business leaders on the new committee is seen by some analysts as a counterbalance to the Preliminary Working Committee's prior influence.

While they might not have Hong Kong's political freedoms at heart, the business leaders are likely to resist any moves Beijing might make to weaken the trade and financial center's future strength.

BRIEFLY ASIA

China Defends Record On Human Rights

BEIJING — China praised its human rights record Wednesday and attacked Western critics for interfering in its domestic affairs. The official government report, issued by the Chinese cabinet, appeared to be intended to head off criticism of Beijing before the United Nations Human Rights Commission in March.

Its publication came two weeks after a Beijing court sentenced China's most uncompromising democratic activist, Wei Jingsheng, to a 14-year prison term.

Like most of the government's justification of its human rights policies, the 23,000-word report stressed group rights over individual ones. It notes that China has given priority to the people's rights to economic development and political order. (AP)

2 Accused in Philippines Of U.S. Officer's Death

MANILA — Two rebels captured in a government crackdown on leftist guerrillas are suspected in the 1989 killing of a U.S. Army colonel, officials said Wednesday. Colonel James (Nick) Rowe was ambushed on April 21, 1989, as he was being driven to his office in suburban Quezon City. Two others convicted in the killing are serving life prison terms.

The new suspects were identified as Orlando Bandalon Jr. and Ruperto Lopez Jr. Interior Secretary Rafael Alunan claimed them Wednesday of taking part in the attack on Colonel Rowe. They have not yet been charged with the crime. (AP)

India Investigates Breach In Air-Defense System

NEW DELHI — The government has created a top-level intelligence committee to look into gaps in India's air-defense system after a cargo plane dropped a huge cache of weapons, news reports said Wednesday.

Five Latvians and a Briton were being questioned after the suspicious plane was forced to land in Bombay by two Indian jet fighters last Friday.

The police were continuing to search for weapons that were parachuted in crates into

VOICES From Asia

Mahathir bin Mohamad, prime minister of Malaysia, saying that the country's transformation into a developed nation hinges on harmony among ethnic groups: "We cannot stop at just ensuring that only relations between communities are good. We want relations between members of society, be they from the same community or different community, to be closer." (AP)

Chiang Chung-lin, defense minister of Taiwan, denying reports that Taiwan's military was reviving a long-shelved project to develop medium-range missiles capable of targeting China: "We have no plans to revive the Sky Bow project or to change the short-range Sky Bow II into a medium-range missile. Nor would we develop nuclear weapons." (AP)

JAPAN: Tokyo's Backroom Kingmaker Aims to Shake Up Politics, and Emerge as King

Continued from Page 1

organization whose supporters accounted for about half of the party's votes in last summer's balloting.

But most observers believe that New Frontier still has momentum, especially after a campaign between Mr. Ozawa and Mr. Hata that was praised for its open debate on important issues, a rarity in the closed world of Japanese politics.

In an effort to open the process further, New Frontier allowed any adult citizen of Japan to vote in the election, for a \$10 fee. There are about 490,000 registered party members, and 1.6 million balloting started on Dec. 16.

Critics said the process was flawed because many ballots did not include the voter's name and telephone number, making it impossible to guard against multiple voting and other fraud.

Mr. Ozawa's victory was marked by the kind of radical proposals for change for which he has become known in the last three years. In this election, Mr. Ozawa called for fundamental changes to what he called "the entire outdated system of politics, the administration, the economy and society."

Mr. Ozawa's 10-year plan, which he has described as "extremely spicy," calls for big cuts in taxes on income, land and corporate earnings, along with major investment in technology, railroads and airports. He

has proposed streamlining the entrenched central government bureaucracy into 15 ministries, and delegating many of the bureaucracy's functions to 300 new "city" governments.

He also has proposed shortening the workweek, helping women re-enter the workforce after bearing children and doing away with employment practices that favor academic credentials above all else, so doing away with the "examination hell" that skews Japanese education toward rote memorization of facts.

In addition, Mr. Ozawa would like to create a new armed force that would be used exclusively for United Nations peacekeeping operations. He

called for the rest of Japan's military to be kept at "minimum defensive strength."

Many of Mr. Ozawa's proposals are startling in Japan, where the government bureaucracy regulates nearly every aspect of life, but Mr. Ozawa has started the Japanese before.

In 1993, he defected from the Liberal Democrat Party, where he had been the chief political strategist, and became one of the reformers who brought down the mighty ruling party after nearly 40 years in uninterrupted power.

He was a key backer of Morihiro Hosokawa, who was elected prime minister in July 1993 in a remarkable repudiation of the Liberal Democrats that few thought possible.

Mr. Hosokawa, who had backed Mr. Hata in Wednesday's election, said in interviews that people had "voted for forceful leadership in a time of uncertainty and stalemate."

In June 1993, Mr. Ozawa published "Blueprint for a New Japan." The book, notable for its blunt language and criticism of some basic Japanese "government knows best" beliefs, was an immediate best-seller and drew angry criticism.

But Takayoshi Miyagawa, a political analyst, said Wednesday: "Ozawa is the only politician who can break the blockade in Japanese politics. All the other politicians try to put off the problems, but Ozawa has the courage to confront them directly right now."

Mr. Hosokawa, who had married in 1970 and with whom he has two sons, Marshall and Jeff. Both Mr. Gramm and his wife say her first response to him was: "Yuck!"

That was when Mr. Gramm was on a recruiting trip for Texas A&M, which was ready to offer a job to Miss Lee, herself an economist. "As a single member of the faculty," Mr. Gramm's future wife recalled him telling her, "I'd be very interested in having you come to Texas A&M." The remark, rather than landing Mr. Gramm a sexual-harassment lawsuit, landed him a wife.

Mr. Gramm cites the evident affection of his wife — as well as that of the many long-serving members of his staff and of his

dog, a yellow Labrador named Gus — to counter a recurring description of him as "mean."

"I think that when you say, 'No,' in Washington, it makes you mean," he said, as a turboprop airplane passed over the crimson-rock canyons of central Arizona. "But people forget that when you say, 'No,' in Washington, you're making it possible for families to say, 'Yes,' around their kitchen table."

Mr. Gramm's pre-eminence campaign pledge is to balance the federal budget in four years, if he is president, and not to run for re-election if he fails to do so. And in recent weeks — perhaps in response to a memo from his own pollster, Linda DiVall, who warned that the Gramm campaign "offers pain and hard choices, no optimism" — Mr. Gramm has been trying to stress the positive aspects of his plan.

"All we hear from Washington is the sacrifice involved in balancing the federal budget," he said at a construction site in Phoenix. "We don't hear anything about the benefits."

To that end, he produced 27-year-old Ty Brewster, a struggling computer programmer with his wife, Lisa, and two young daughters, Morgan and McKenzie. "This is something we'd like to do if we could just get a little more of our tax dollars back," Mr. Brewster said, gazing at a house in the making.

Mr. Gramm, projecting that a balanced budget would cut interest rates by two percentage points, rattled off figures about just how much money "average Arizonans" could save on home mortgages or car loans.

To the builder of a master-planned community here in Flagstaff, Mr. Gramm was even more blunt: "I'm gonna make you rich by balancing the federal budget!" he pledged, slapping the man on the back.

Mr. Gramm is often given credit for preaching much the same economic message from the beginning of his career or



TIME WITH THE BOSS — President Jiang Zemin of China visiting workers at a wool mill in Lanzhou during a tour of Gansu Province. (AP Photo/Chen Jun)

Captives' Release Fails to Restart Seoul Rice Aid

Reuters

SEOUL — South Korea, brushing aside the release by Pyongyang of five captured seamen, ruled out resuming rice aid to the North on Wednesday unless its neighbor changes its attitude.

"There is no change in our government's position," the deputy unification minister, Song Young Dae. "For additional rice assistance, there must be a change in North Korea's attitude toward us."

"The return of the Woosung crew should not be seen as a change in North Korea's basic attitude," he added.

The handover at the border on Tuesday of the five seamen, as well as the remains of three other crew members, was just one prerequisite for additional

Korea to agree to broader government-to-government dialogue.

It ignored a United Nations call to maintain the rice flow and asked Japan to follow suit. Tokyo shipped 300,000 tons of a promised consignment of 500,000 tons of rice.

On Tuesday, Seoul's official media suggested that the release may have won Pyongyang more aid.

It quoted a diplomatic source as saying that officials from the United States, South Korea and Japan would meet in Hawaii next month to discuss the issue.

"It's difficult to say that Pyongyang is changing its attitude with the return," a Unification Ministry official said.

"It seems to still want nothing to do with the South Korean government but

do a show for the outside world," the official said.

"It's not enough," said an official at the Foreign Ministry, referring to the crew return.

"If the North really is desperate it should ask for more rice and stop the slandering. They should hold talks with us."

The official confirmed that the that meeting in Hawaii would take place, but said it had not yet been decided what issues would be discussed.

The Yonhap news agency reported that the United States would be represented by Winston Lord, the senior American official for East Asia and the Pacific, Japan by Deputy Foreign Minister Shunji Yanai and Seoul by Deputy Foreign Minister Lee Jai Chun.

GIs Dispute Responsibility for Japan Rape

Reuters

TOKYO — A U.S. serviceman described by his co-defendants as the ringleader in the alleged rape of a schoolgirl on Wednesday disputed their claims that he bullied them into an attack that has undermined U.S.-Japan relations.

In the sixth session of the trial of the three servicemen, Seaman Marcus Gill implicated Kendrick Ledet and Rodrico Harp, both Marine privates, in the rape of a 12-year-old girl on Sept. 4, Kyodo news agency reported.

On Tuesday, Private Ledet and Private Harp told Naha District Court that they were forced by the older and stronger Seaman Gill to help abduct the girl. Private

Harp told the court that he was afraid to disobey Seaman Gill.

Seaman Gill, 23, has pleaded guilty to abduction and rape. Private Harp, 21, and Private Ledet, 20, say they joined in the abduction but did not rape the girl.

Seaman Gill, who said on Tuesday that his two co-defendants "left out the parts that made them look bad," told the court that Private Harp, who first spotted the girl, and Private Ledet were the ones who jumped out of their rented car and grabbed her, Kyodo said.

The case has touched off an outpouring of resentment in Okinawa at the concentration of U.S. military bases on the island.

The three-judge panel is expected to issue a verdict Jan. 19. If convicted on charges of rape causing injury, the three servicemen could receive sentences of three years to life in prison.

In a separate development on Wednesday, lawyers for Private Harp and Seaman Gill sought a change of venue, citing the highly political nature of the case.

The petition said the defendants could not receive a fair hearing in Okinawa and asked for the trial to be moved elsewhere in Japan. The court said the petition was incomplete and asked that it be resubmitted.

Legal experts said chances of a venue change at this advanced stage of the trial were extremely slim.

Mall Owner Sentenced For Disaster In Seoul

Compiled by Our Staff News Dispacher

SEOUL — A court on Wednesday gave a 10 and a half year prison sentence to the owner of a shopping mall that collapsed, killing 501 people and injuring 900 in the worst civil engineering disaster in South Korean history.

Relatives of the victims had demanded the death penalty for Lee Joon, 73, who was found guilty of negligence in the June 30 accident, when the five-story Sampoong Department Store collapsed with more than 1,500 shoppers and employees inside.

Lee Han Sang, Mr. Lee's 43-year-old son and the president of the mall, was convicted of negligence and bribing government officials. He was sentenced to seven years in prison. The three-judge court also imposed prison terms ranging from eight months to three years and fines of up to \$17,000 on 23 others charged with various irregularities connected to the collapse.

"The defendants deserve stern punishment for bribing relevant officials, thus causing a major disaster," said the senior judge, Lee Kwang Yol.

The store caved during a busy early evening when it was packed with shoppers and employees.

It was one of several man-made disasters that set off public hand-wringing over the human cost of South Korea's breakneck economic growth and drew attention to the sometimes lethal effects of corruption.

Faulty design and poor construction were blamed for the collapse of the store. Witnesses said the roof of the mall had been crumbling all day, but that officials who met to discuss the situation had left after deciding to take no action.

The organization that represents the victims' families repeated its stance that both Lees should be executed and said it would stage rallies to express dissatisfaction.

"We are angry," the families said in a statement. "They deserved the highest punishment possible. They deserved the death sentence."

Under South Korean law, however, the death penalty is not applicable in negligence cases.

Among those convicted were 12 city officials who took bribes in exchange for allowing illegal design changes and construction. Eleven defendants, mostly low-level mall and construction company officials, were given two-year suspended sentences.

(AP, Reuters)

French

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EUROPE

French Cult Member Wondered Why He Didn't Die Earlier

By Craig R. Whitney
New York Times Service

PARIS — A 27-year-old man identified by the French authorities as one of 16 people found dead last weekend after an apparent cult ritual had said that he feared for his life after a similar massacre a year ago.

Patrick Vuarnet, one of three sons of a former French Olympic ski champion and ski entrepreneur, Jean Vuarnet, said after the murder-suicide of 53 members of the Order of the Solar Temple in Switzerland and Canada in October 1994 that he and his mother had both been members of the apocalyptic cult.

"I fear for my life," he told the magazine *L'Express* then. "My mother and I are both still wondering why we didn't receive the call."

Mr. Vuarnet disappeared from Geneva, where he lived, 10 days ago. On Saturday, his charred body and those of his mother, Edith; his companion, Ute Verona, and Ms. Verona's 6-year-old daughter, Tania, were

found among 16 victims laid out individually around the remains of a campsite in the wilderness of the Vercors region of southeastern France.

All the corpses had at least one bullet wound and had been doused with incendiary fluid. Policemen in Switzerland, where most of the dead cult members lived, have not ruled out murder.

Autopsies have found that 14 of the 16 cult members found in the remote forest clearing were killed by rifle shots, *Reuters* reported, quoting a French prosecutor on Wednesday.

The prosecutor, Jean-François Lohans, said the 14 were probably killed by two cult members who were police officers, and who appeared to have then killed themselves with their service pistols.

The two known leaders of the group, its founder, Luc Jouret, a Belgian doctor, and Joseph di Mauro — died more than a year ago. Their remains were recovered among the bodies incinerated in October 1994.

Among the latest victims, the Vuarnet family is well known in France. The head of the family, Jean Vuarnet, nearly 63, helped found the ski resort of Avoriaz in the French Alps and was also closely associated with the nearby resort of Morzine. He heads a business that licenses the family name to manufacturers of stylish sunglasses and ski equipment.

Mr. Vuarnet said on French television over the weekend that he was aware that his wife and the youngest of his three sons had kept in contact with members of the cult even after its two leaders and 51 of their followers were found burned to death last year.

The French authorities said they would release a list of all those found dead in the Vercors after the completion of the autopsies, but it is expected to be identical to a list of 16 people associated with the cult whose relatives reported them missing earlier this month.

The service revolvers of two French policemen on that list were found among the charred bodies last weekend.

One of them, Jean-Pierre Larachet, stationed in the French Alps, was missing with his wife and two children, aged 2 and 4. In all, three children's corpses were found last weekend.

French cult experts said that the Order of the Solar Temple mixed elements of Christianity, astrology and medieval legend about the Order of Knights Templar, dissolved in 1312, and speculated that the 13 adults died or were killed as part of a winter solstice ritual: the solstice, which marks the shortest day of the year, occurred Friday.

"These people knew too much and were murdered," speculated Renaud Marhic, a French author who has published a book on the Order of the Solar Temple.

In an interview published in *L'Express* after the massacre last year, Patrick Vuarnet said that he had been introduced to the cult by an astrologer in Geneva, and that he had decided to join after discussions with his mother, described by friends as an emotionally

unstable woman who felt neglected by her husband.

"The theme of the passage from life to death came up again and again," he said then. "Jouret explained that there was nothing to fear — quite the contrary, I began to feel close to sacrifice."

"What I thought was true is false, and I failed to recognize that."

But over the weekend of Dec. 17, authorities believe, he drove his mother, his companion and her child the 150 miles (240 kilometers) from Geneva to the forest above the French village of Saint-Pierre-de-Chérennes for the final passage.

Jacques Guyard, head of a French parliamentary commission on sects that was set up in 1994, said there were 1,300 of them active in France, from Scientology to splinter groups, with 150,000 members.

Mr. Guyard said the commission would propose closer supervision and new laws to make it harder for sects to claim immunity from prosecution for committing crimes.

BRIEFLY EUROPE

Pro-West Turk Parties Seek Pact

ANKARA — Turkey's political parties set about forming a secular alliance Wednesday to block Islamists from taking power after weekend elections, but mutual resentment between the party leaders showed problems loomed.

"I believe there will be a coalition soon — there are no top-level meetings at the moment, but behind-the-scenes work is going on," said an aide to Prime Minister Tansu Ciller. "But I don't think the coalition can last long, and I can foresee new elections in less than two years."

Mrs. Ciller's True Path Party and the rival conservative Motherland Party finished together behind the Islamists in elections Sunday, winning about 40 percent of the vote between them, against a bit more than 21 percent for the Islamist Welfare Party.

Analysts fear a further power vacuum in Turkey, where there has been a stopgap government since Mrs. Ciller's right-left coalition collapsed in September, if conservatives cannot unite.

(Reuters)

Kozyrev Sent on Afghan Mission

MOSCOW — Russia's foreign minister, Andrei V. Kozyrev, was still clinging to his job Wednesday after a meeting with President Boris N. Yeltsin. But he was clearly on notice.

Mr. Yeltsin said this fall that he would replace Mr. Kozyrev. The question was when. Many observers expected Mr. Kozyrev to emerge from the meeting Wednesday with his resignation in hand. Instead, he was told to go to Afghanistan and negotiate the freedom of Russian pilots downed there by Islamic fundamentalists.

(AP)

Hints of More French Unrest

PARIS — The co-leader of the recent wave of strikes in France is threatening more unrest at the end of January when new tax increases bite into pay slips, according to an interview published Wednesday.

Marc Blondel, the leader of the Workers Force union, told *La Tribune Desfosses*, a business newspaper, that, "come the end of January, when taxes will hit, there will be an awakening."

He said the union's executive committee would meet Jan. 15 to "see what are the attitudes of our organizations" and to "examine the situation for further actions." Mr. Blondel said the unions would press the government of Prime Minister Alain Juppé to limit parliamentary oversight of the social security system to disbursement of tax revenue and not of revenue from worker and employer contributions.

(AP)

Polish Prime Minister Stays On

WARSAW — The Polish prime minister, Józef Oleksy, who has been accused of spying for Moscow, said Wednesday that he would not suspend his duties until prosecutors reviewed the allegations.

"The tasks and duties of the government are substantial, and it is not time for such gestures," Mr. Oleksy said in a state radio interview, responding to suggestions that he should take a leave of absence.

The espionage allegations against Mr. Oleksy arose last week, just as President Lech Wałęsa was to hand over the power to Mr. Oleksy's colleague, Alexander Kwasniewski. Mr. Oleksy has rejected the charges as groundless. He acknowledges frequent contacts with Russians, but says the evidence against him was fabricated by Mr. Wałęsa's supporters.

(Reuters)

New Clue in Palme Case Dubious

STOCKHOLM — A gun being examined in connection with the 1986 murder of the Swedish prime minister, Olof Palme, may not even have been in existence at the time of the killing, the police said Wednesday.

Forensic experts were examining the revolver, a Smith & Wesson 357 Magnum, which was handed over to police after an anonymous source gave it to the tabloid *Aftonbladet*.

"A technical investigation is under way," a police spokesman said. "It may be that the barrel, or even the whole gun, was made after 1986."

He said the police hoped the tipster, who has communicated with the police only through *Aftonbladet*, would come forward for proper questioning.

(Reuters)

135 Massacred in Raids By Rival Zulu Groups

DURBAN, South Africa — At least 135 people have been killed in political and criminal violence in South Africa's Zulu heartland province since last Friday, the police said Wednesday.

The toll compared with 90 victims of violence in KwaZulu-Natal province over the same period a week ago.

A police spokesman said Shobashokane was quiet Wednesday, and that he expected the toll to rise as more bodies were found in burned houses.

"Shobashokane is a ghost town," he said. "That means it is quiet since the attack. I can say that nobody has been arrested. There are units of the South African National Defense Force and the Internal Stability Unit patrolling the area."

At least 19 people were killed in the attack on homes of families of African National Congress supporters.

Deputy President Thabo Mbeki on Tuesday visited the scene of the massacre outside Port Shepstone, 160 kilometers

(100 miles) south of Durban.

The ANC's spokesman in KwaZulu-Natal blamed the Zulu-based Inkatha Freedom Party for the massacre.

But an Inkatha spokesman, Phillip Powell, denied the allegation, saying Inkatha members had been subjected to a wave of killing in the past three months.

A police spokesman said Shobashokane was quiet Wednesday, and that he expected the toll to rise as more bodies were found in burned houses.

"Shobashokane is a ghost town," he said. "That means it is quiet since the attack. I can say that nobody has been arrested. There are units of the South African National Defense Force and the Internal Stability Unit patrolling the area."

A human rights watchdog group, the Network of Independent Monitors, called on Safety and Security Minister Sydney Mufamadi to allow an independent investigation.

France Is on Top Of Dutch Hit List

Reuters

AMSTERDAM — Dutch antipathy toward their German neighbors is notorious, but a recent poll has shown that they like the French even less.

Many observers thought that bitter memories of World War II occupation and intense rivalry on the soccer field had secured Germany's status as least-favored-nation here.

But a poll for *De Volkskrant* newspaper revealed that in fact the French were seen as the most arrogant and least democratic of the Netherlands' nearest European neighbors.

The Belgians were the most popular, closely followed by the British, with the French narrowly edging out the Germans for the title of least-loved.

Paris Denies Cover-Up On Pilots' Treatment

Reuters

PARIS — France denied Wednesday that it was shielding the Bosnian Serbs after a newspaper said that two French airmen had been told to cover up alleged torture during 104 days as captives in Bosnia-Herzegovina.

"We have not accepted any conditions" for the pilots' release, a Foreign Ministry spokesman, Yves Douriant, said.

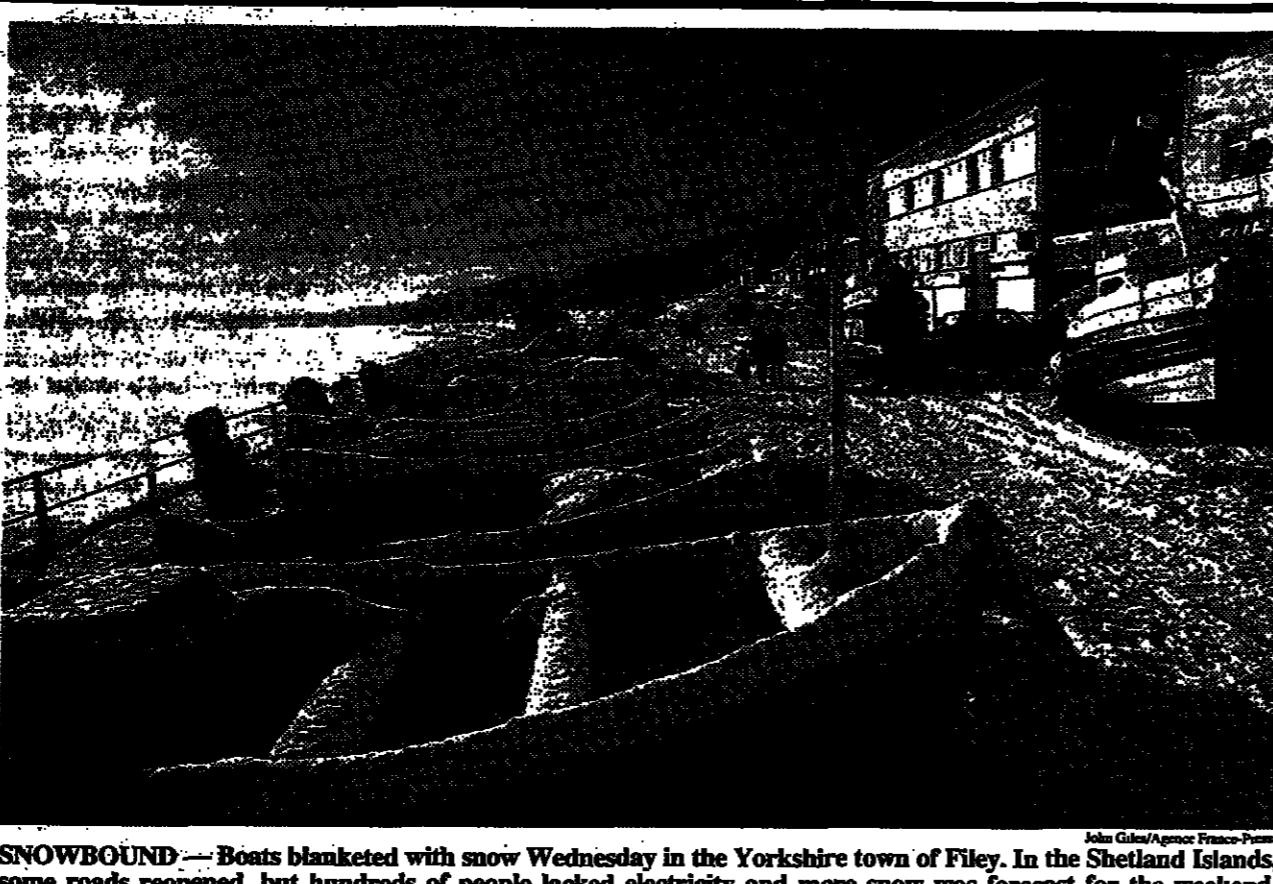
The weekly *Le Canard Enchaîné* said Tuesday that a French general had ordered the airmen to "say that everything happened according to the Geneva Convention," though, it said, they were badly beaten, poorly fed and subjected to mock executions in which they were choked and their broken legs kicked.

"I don't think it's a way to protect the Serbs," Mr. Douriant said. "Immediately after their release and before their release we said we were not ready to discuss with the Serbs any conditions. We said it then, and we can repeat it now."

Lieutenant José Souvignier and Captain Frédéric Chiffot were freed by the commander of the Bosnian Serbs, General Ratko Mladić, on Dec. 12, eliminating a final stumbling block to the signing of the Bosnian peace accord in Paris two days later.

The paper said Captain Chiffot's nose was broken during beatings and an employee of the hospital where both men were treated for broken limbs continued to hit Captain Chiffot's nose, knocking him unconscious several times. A Defense Ministry spokesman denied the pilots had been told what to say about their captivity but would neither confirm nor deny the paper's account of their treatment.

Captain Chiffot's father, Jean-Louis Chiffot, said in interviews that the article was "very precise."



JOHN GIBLIN/AGENCE FRANCE PRESSE
SNOWBOUND — Boats blanketed with snow Wednesday in the Yorkshire town of Filey. In the Shetland Islands, some roads reopened, but hundreds of people lacked electricity and more snow was forecast for the weekend.

EUROPEAN TOPICS

New Software Harness For Royal Mail's 'Snail'

In Britain, electronic mail and conventional mail may just have found a way to live together. Thanks to a technological crossover promoted by a private on-line company, computer users will be able to send messages to those who do not have computers, for next-day delivery anywhere in Britain.

During a two-month trial, users of software offered by the PhoneLink company will send E-mail messages much as they would have before, reports *The Sunday Times*. PhoneLink's computers will pass on those destined for conventional delivery — "snail mail," in the Internet jargon — to the Royal Mail's electronic services headquarters in London. There they will be printed out, placed in envelopes and sorted for delivery.

"We think of it as having a postbox on your desk," says Chris Knowles, a PhoneLink spokesman. "And one which happens to be at the center of the Royal Mail's postal services."

Continued from Page 1

International Herald Tribune

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The Islamist Victory

Few countries are as strategically important to American interests around the world as Turkey. During the Cold War, Washington valued its large army and long land frontier with the Soviet Union. Since the Soviet collapse, Turkey's pro-Western leaders have promoted it as a bastion of secular democracy in the Muslim Middle East, a strategic counterweight to Iran. But Turkey, which is a NATO member and aspires to be a member of the European Union, has never quite lived up to its ambitions, or Washington's. It has waged a brutal war against its Kurdish minority and its human rights record is abysmal. Now its secular character is under siege.

The militantly Islamic Welfare Party finished first in Sunday's elections, its strongest showing ever, opening a difficult new phase in Turkish politics. Even though the party drew only 21 percent of a fractured vote, it invokes the Muslim faith professed by 98 percent of Turkey's people. Its success threatens the long-term viability of the secular republic established 72 years ago by Mustafa Kemal Ataturk. The party's gains also threaten Turkey's international and economic policies since the party is hostile to NATO, Europe, Israel and entrepreneurial capitalism.

The party has material as well as spiritual appeal for Turkey's urban poor, its greatest base of strength. In Ankara and Istanbul, both of which it has governed since early last year, the party has offered cheap bread, health clinics and other social services desperately needed by hundreds of thousands of recent migrants from the countryside. These include many Kurds who have fled fierce army repression in their home region. Local governments controlled by the Welfare Party have also closed battered women's shelters and have campaigned against Western-influenced art and culture.

Turkey's secular parties understandably feel threatened. They are now scrambling to put together a broad left-right coalition and hint that the military could somehow step in to defend Ataturk's secular legacy. The secular parties would do better to reach out to Welfare's voters with social programs, political dialogue and a halt to military pressure against Kurdish civilians.

Prime Minister Tansu Ciller, who resigned Monday, pressed for Turkey's integration into the European Union to reinforce Ankara's ties to the West. Two weeks ago, the European Parliament with an eye to helping secularists in the election, overlooked its objections to Turkish human rights abuses and approved a customs union. But the voters seemed to care less about Europe than their own economic survival, made harder by the austerity policies international lenders have driven Ankara to pursue.

The Welfare Party's leader is Necmettin Erbakan, a former deputy prime minister and a wily veteran of Turkey's political wars. In the 1970s, he led an earlier Islamic party into a governing coalition with the Social Democrats, the first breach in Ataturk's secular wall. Since then he has advocated friendship with Iraq, hostility to Israel and Europe and hard-line support for Turkish rule in Cyprus.

His most formidable enemy is the army, which sees itself as the guardian of Ataturk's legacy. After the military took power in 1980, it convicted Mr. Erbakan of trying to set up an Islamic state.

Neither military repression nor the narrowly based economic boom of the 1980s has slowed Islamic political gains in Turkey. It is not too late to demilitarize the Kurdish conflict and expand social services, but time is running short.

—THE NEW YORK TIMES.

Misery as Propaganda

A study commissioned by the UN Food and Agriculture Organization estimates that a half-million Iraqi children have died because of the international economic sanctions in effect since the end of the Gulf War. To this stunning toll must be added the malnutrition and disease affecting the many others, children and adults, who are still alive. It adds up to a second Gulf war of historic proportions — a war whose immense civilian casualties apparently fall most conspicuously upon the young.

But that is not the sum of it. The politically and morally defining feature of this second Gulf war is not the extent of the casualties but that they are being inflicted in what amounts to an undeclared and unequal civil conflict. On one side, fully armed and fully ready to apply its arms, is the regime of Saddam Hussein. On the other, completely disarmed, are its citizens, involuntary recruits in a war that could be recognized as an exercise in savagery on the model that Stalin and Hitler conducted against their people in their time.

Some good-hearted people in the West and some Arab and Islamic sympathizers can regularly be heard calling on the winners of the Gulf War to have a heart

for the children of the losers. But Saddam Hussein could instantly ease the plight of his population. Trade restrictions on Iraq permit the licensed entry of food, medical supplies and humanitarian aid. The UN Security Council has offered Baghdad opportunities to sell oil under its supervision to pay for such civilian needs, but Mr. Saddam has refused, saying these plans would infringe on Iraqi sovereignty. In short, it is entirely by his decision that a half-million Iraqi children, if that is the right number, may be gone.

The point is not simply to engage in a contest of words with the Iraqi dictator. His readiness to countenance mass death and suffering among his people provides the keenest available clues to his thinking about his adversaries. The man who uses the death of Iraqi children as a propaganda display of the same man who, according to the indefatigable UN commission that tracks his weapons-building, has never stopped trying to gain the means to avenge his Gulf War humiliation. Any question of whether he would be ready to use weapons of terror against foreigners dissolves against the reality of his continuing murderous victimization of Iraq's children.

—THE WASHINGTON POST.

States' Burden

The Republicans say one of their goals in cutting the budget is to transfer power to the states, and so they would. But a recent report on states' finances is a reminder that they would be shifting a major burden as well. It's not clear the states would have the resources to take it on.

Medicaid is at the heart of the federal-state relationship. The federal government now provides more than a fifth of the money state and local governments have available to spend each year. The federal share of Medicaid is more than third of this, by far the largest share — and Medicaid in turn is easily the fastest-growing major element of state budgets. The recent report by the Center for the Study of the States at the State University of New York says that in fiscal 1990, Medicaid was 9.1 percent of state spending. By 1994 it had reached 12.8 percent, a 40 percent rise.

Some of that increase was the result of accounting games and the states' own doing. Because the feds pay a little more than half of Medicaid costs, the states shifted into the Medicaid program all kinds of services they had provided on their own, including some phantom services whose only purpose was to jack up the federal matching grant. But caseloads and health care costs were rising sharply as well. The Medicaid caseload increase through this period is all that kept the number of uninsured in the country from rising even faster than it did and putting even more pressure on state and local governments and the health care industry to provide so-called uncompensated care.

So what resolutions could China make to put hearts at ease in 1996?

First, China could show its willingness to accept the constraints of interdependence by cutting its average tariff level from 36 percent to 15 percent — the norm for developing countries. If this were reinforced with cuts in import quotas, the abolition of tax rebates for exporters and clear movement to World Trade Organization standards for the operation of foreign enterprises in China, then Western businesses and governments would be impressed.

Until Beijing takes such steps, a strong suspicion will remain that China wants entry into the WTO without the constraints of interdependence.

Second, China should abide by economic agreements it has already signed. Continued massive violations of the 1995 intellectual property accord with the United States is likely to lead to retaliation by Washington in 1996. Pirated software sales in China as a percentage of total software sales stand at 98 percent and could at least come down to

100 percent. International Data Group, a software publisher, has said that 98 percent of software sold in China is pirated. Pirated software sales in China as a percentage of total software sales stand at 98 percent and could at least come down to

Turkish Elections Complicate U.S. Bosnia Strategy

By Jim Hoagland

WASHINGTON — Bill Clinton and Bob Dole were of course not candidates in the national parliamentary elections in Turkey on Sunday. But the political fate of the president and the Republican front-runner may have been grazed by that distant balloting, in which Islamic fundamentalists scored big gains.

The noose passes through Bosnia and the gathering struggle between President Clinton and Senator Dole over the training and equipping of the Bosnian Army during the year in which 20,000 U.S. troops are to keep the peace in the Balkans.

Mr. Dole has long favored direct U.S. military logistical help for the Bosnian government. His pressure helped force the administration into a still hazy commitment to arm and train the Bosnian Army to defend itself in the future. Without that commitment to level the battlefield, Mr. Clinton's decision to send troops to Bosnia would not have been politically sustainable in Congress or in public opinion.

But the Pentagon refuses to have American troops provide arms and training while they separate the warring Serbian, Croatian and Muslim forces. Mixing those roles would expose U.S. troops to open Serbian hostility and harm, the Pentagon argues.

Instead, the administration proposes that Turkey manage the train-and-arm effort.

The Dec. 24 Turkish election casts a shadow over that strategy that the Clinton administration would be reckless to ignore. Having displayed boldness in achieving the Dayton accord and deploying American troops into Bosnia over the Christmas season, the administration must now read warily as it sorts out the role of U.S. troops in Bosnia. So must Mr. Dole.

Turkey's fundamentalists did not win the election. But they got 21 percent, the largest score of any party, and became an important, strongly anti-American force in Turkish politics. Turkey's secular parties expect to form a coalition to keep the fundamentalists out of the government. But the government will now constantly be looking over its shoulder at the Islamists.

It is unclear if the White House ever believed the Turkish option was a real answer to the problems created by the Pentagon's refusal to undertake "arm and train." Turkey was for some a convenient way of promising that somebody else would take care of those problems.

But some senior policymakers have long argued that Turkey is the most important post-Cold War "front-line state" and must be anchored more solidly in the West through expanded military cooperation.

The election returns underline how difficult a task that is. The administration must be careful to avoid trying to "help" Turkey by drawing it more deeply into Bosnia and asking it to take on major responsibilities there. Pursuing those objectives would guarantee "mission creep" of the most disastrous kind — taking on larger, unmovable political commitments beyond immediate battlefield aims. Mission creep turned Somalia into a political disaster for this administration.

In looking at Bosnia, the Clinton administration must think Europe, not Middle East. Bosnia is not an existential issue for Turkey and the other Islamic countries, their rhetoric to the contrary notwithstanding. It is such a question for Europe, which must be willing and able to take on the dominant security responsibility for Bosnia after the one-year deadline Mr. Clinton has set for the withdrawal of U.S. troops.

Mr. Dole favors the United States using its troops to arm and train the Bosnians as their primary task, despite the opposition

from the Pentagon and the Europeans. His exit strategy is to bring the Bosnians up to military parity and hope that deters the Serbs and Croats after the Americans leave. Politically, Mr. Dole has the better argument, especially in the wake of the Turkish elections. Unilaterally aiding the Bosnians appeals both to logic and honor far more directly than does the unconvincing Clinton effort to subcontract training and training the Bosnians to the Islamic world while winking at the Serbs.

But Mr. Dole will be vulnerable to criticism if he does push the Pentagon into a mission it opposes and things then go badly in Bosnia. There are risks for him in pushing an activist, committed U.S. role too far, too fast.

The Dayton accord forbids any arms imports into Bosnia for the first 90 days after the Dec. 14 formal signing. Mr. Clinton and Mr. Dole should agree now to use that delay to come to a common understanding on how Americans get out of Bosnia and what follows their exit. Such an understanding could ensure that their political interests, and the U.S. national interest, emerge from Bosnia with out unnecessary harm.

Washington Post Writers Group

Israeli-Syrian Talks Seek to Blaze a New Path Around Obstacles

By John Chipman

LONDON — The assassination of Prime Minister Yitzhak Rabin served as a form of shock therapy for President Hafez Assad of Syria. Previously, Israeli leaders' claims that there was no universal domestic support for the exchange of territory for peace were treated as mere negotiating ploys.

But the circumstances of Mr. Rabin's death convinced Mr. Assad that he should, as he told Western leaders in private, approach a renewal of peace discussions with creativity and flexibility.

Sensing his own mortality (his health is not good) and the little time that remains before Israeli elections — which might bring to power a government unwilling to withdraw from the Golan Heights — Mr. Assad has decided to test just how keen the Shimon Peres government is on peace.

The latest round of talks between the two countries, which began Wednesday near Washington, will also test just what initiative and artistry Mr. Assad had allowed his negotiators.

Mr. Peres, on assuming the mantle of prime minister, offered Mr. Assad the negotiating forum of his choice: secret talks, talks between leaders, large or small negotiating teams, talks mediated by the United States or strictly bilateral talks.

This was an offer difficult to refuse. The talks in the United States, which will involve some U.S. mediation, will set the agenda for further discussions and the methods for dealing with the many interlocking issues that a peace treaty between Syria and Israel would entail.

The trick will be finding a format that ensures all major issues can be discussed simultaneously, which would prevent a deadlock

on one issue from blocking discussions on others, and which would build toward a comprehensive agreement that incorporates compromises across issue areas.

In roughly ascending order of negotiating difficulty, there are five major problems to solve.

• The first is the problem of borders. The Israelis are likely to insist that in the event of a full withdrawal from the Golan Heights, the final borders should be the "international borders," a line drawn in 1923 in British-mandate Palestine and slightly different from the 1949 armistice line. The Syrians, for their part, will want to see the borders of June 4, 1967, that is, the area that Syria controlled before Israel occupied the Golan. Israel will in response argue that this border is not really a border because it was never demarcated.

To return to the status quo before the 1967 Six Day War will therefore require detailed discussions on territory, since some of the areas that Syria controlled at the time were gained in skirmishes between the Israelis and the Syrians in the 1950s and 1960s.

This is a fact that the Israelis will use, to the annoyance of the Syrians, in claiming that in the spirit of the negotiations, territory gained by the use of force should not count in the claimant's favor.

• For Mr. Assad, the important thing will be the ability to credibly claim that he has "recovered all Syrian territory." For the Israelis, the issue of borders is closely linked to the second problem of water.

They will want an arrangement that does not have the Syrians in complete control of the waters of Lake Tiberias (the Sea of Galilee). There is a great Israeli fear, in any case, that whatever the

actual border, the introduction of many more people and animals into an area newly controlled by Syria might lead to the contamination of water or to the Syrians' drawing more than their "fair share." The water issue will therefore also require careful negotiation and perhaps some form of international guarantees.

• The security issue is even more complex. Much attention has been focused on the Israeli demand for an early-warning station on the Golan. The previous talks founded on this point.

The Syrians may now accept an early-warning station manned by the Americans, though the traditional Israeli fear of mortgaging the country's security to a third power, no matter how close, and an American reluctance to have U.S. soldiers play a trip-wire role may

be against this compromise.

More important will be the actual balance of forces agreement. The Israelis will wish to have the Syrians prohibited from deploying close to the Golan and will argue not merely for their redeployment toward the north but for their restructuring, so that they have much less heavy armor that could be moved to the new border. But the Israeli argument that, since the Syrian-Israeli border will be only 3 percent of Syria's frontier and should therefore have a corresponding percentage of Syrian armed force deployed near it, will fall on unsympathetic ears.

The Syrians will be sensitive to the issues of sovereignty involved in an "Israeli-mandated" reconfiguration of their armed forces.

• The pace of an eventual withdrawal may be easier to negotiate. Previously the Syrians seemed to want a full withdrawal within a year. While the Israelis might now agree to a fast withdrawal, a two-

or even a two-and-a-half-year period might be acceptable to Syria, particularly since there is tacit agreement to coordinate the pace of withdrawal with the intensity of normalization. The Syrians are not keen to quickly see an Israeli flag flying in Damascus and hordes of Israeli tourists descending on Aleppo and Palmyra.

The Israelis, particularly under their visionary prime minister, would be unhappy with a "cold peace" that gave them no confidence in the new arrangements. Defining normalization will be a heavy challenge.

• Ultimately, the most difficult challenge will be bringing the Lebanese into the discussions. The Lebanese, whose foreign policy in the area is but an echo of Syria's, want to see withdrawal of Israeli forces from their land in compliance with UN Resolution 425. Israel will do so only when it is free of the risk of Hezbollah attacks.

The Syrians are the key to ensuring the eventual disarmament of Hezbollah in return for peace. Syria retains 40,000 troops in Lebanon and a desire to keep the country in its sphere of influence. The principal Israeli requirement is security. Israel may withdraw from the south and accept continued Syrian suzerainty in Lebanon.

But it would be good for Israel to achieve its own security at the price of Lebanese independence?

And what would be the value, in security terms, of a deal on the Golan that nevertheless implicitly allowed Syria unrestricted movement in Lebanon?

This may be the most sensitive element of the negotiations, for Syria sees itself as a major Arab power with interests in Lebanon, and one that has helped to return that country to some measure of normality. Israel will not be able, and may not want, to place too

many conditions on Syria's activity in Lebanon. For these reasons, the Lebanese, who cannot have direct, public negotiations with the Israelis for fear of Syrian encroachment, are concerned that in the upcoming peace discussions their country will be on the table but not at it.

Syria and Israel have both made a strategic choice for peace. Their negotiations may not be so complex as the ones between Israel and the Palestinians that culminated in the Oslo accords. However, Israel will be involved in "final status" negotiations with the Palestinians by May 1996; the pace of the negotiations with Syria will therefore have to be fast if a Syrian-Israeli accord is not to be horribly enmeshed in the requirements of the intense and sensitive negotiations with the Palestinians.

In the next few weeks, the world will know if President Assad can give his negotiating team the authority and latitude to make a comprehensive peace. He wants a better deal than the Palestinians got for themselves.

But he needs a team of expert negotiators, and he needs to give them power, if he macromaniacs the peace, he may not get it; and if he makes too much a virtue of his renowned patience, he may run out of time.

As for Israel, it needs to make the best of the multiple-issue negotiation it has offered. The Syrians if this peace, which will require tough compromises, is to be sold to a still skeptical Israeli public.

The writer, director of the International Institute for Strategic Studies, contributed this comment to the International Herald Tribune.

How to Succeed in Business: 10 New Year's Resolutions for China

By Gerald Segal

BANGKOK — The year 2000, which is supposed to herald the start of the much-hyped "Pacific Century," is less than 1,500 days away. But as the date approaches, there is concern that it may be more a Sinoified Century.

The hardheaded business leaders who attended the recent Pacific Rim forum — a prestigious annual gathering of East Asia's business community — want evidence that as China grows strong, it will also grow more sensible.

Businesspeople want to see real evidence that Chinese nationalism will be constrained by economic interdependence. China's behavior in 1995 in Hong Kong, the South China Sea and, especially, in the Taiwan Strait has them worried.

So what resolutions could China make to put hearts at ease in 1996?

First, China could show its willingness to accept the constraints of interdependence by cutting its average tariff level from 36 percent to 15 percent — the norm for developing countries. If this were reinforced with cuts in import quotas, the abolition of tax rebates for exporters and clear movement to World Trade Organization standards for the operation of foreign enterprises in China, then Western businesses and governments would be impressed.

Fourth, China could stop threatening Taiwan with military force. Missile ramming, or worse, ahead of the Taiwan presidential election in March would suggest that Beijing is no longer prepared

OPINION/LETTERS

When Private Conversation Should Remain Private

By Edwin M. Yoder Jr.

WASHINGTON — Just what William Kennedy's now famous notes will reveal about the Whitewater affair is, at this writing, anybody's guess. They may prove to be the biggest bust in disclosure since the Wizard of Oz was unveiled by Dorothy and Toto.

Mr. Kennedy, an associate White House counsel at the time, took these notes at a 1993 meeting which the Clinton administration now describes as a "handover" of the troublesome Whitewater portfolio from White House lawyers to President Bill Clinton's personal lawyers.

Their fame, or infamy, derives from the curiosity of Senators Alfonse D'Amato and Lauch Faircloth, two Republicans who have obsessively pursued the notes in an interminable fishing expedition, saying that they could show that White House aides improperly provided "confidential" information about two government investigations to those personal lawyers.

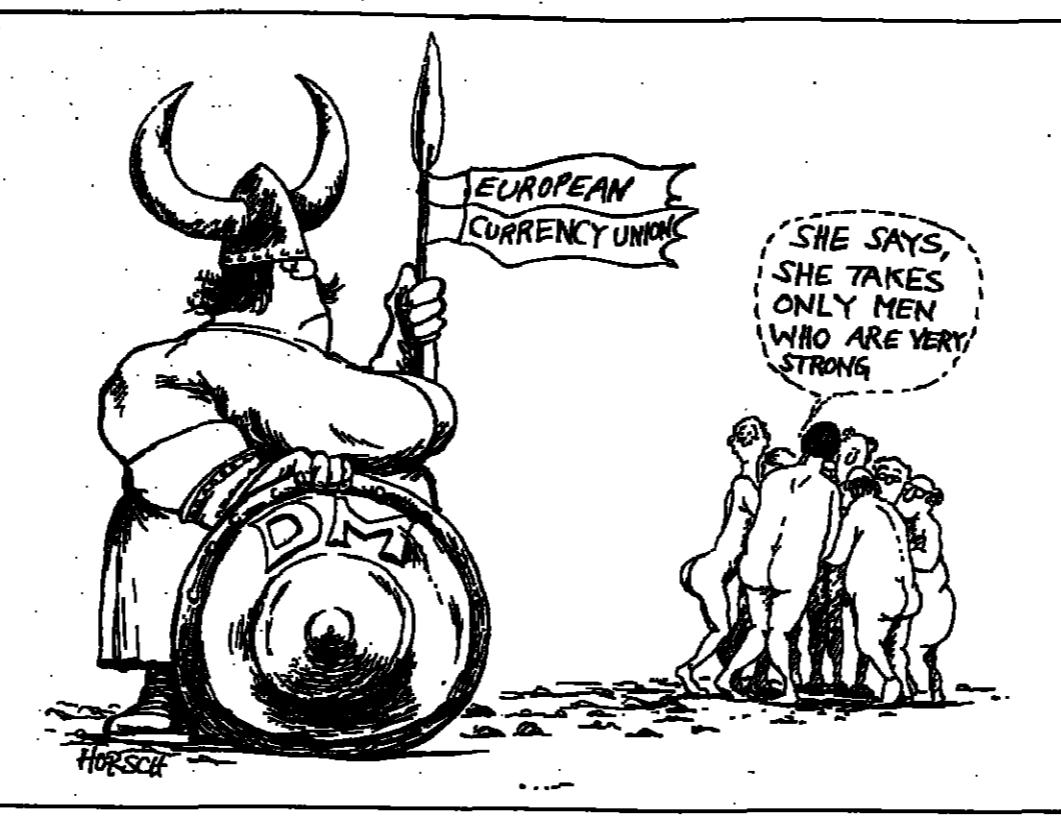
The White House denied that, and had refused to turn over the notes, saying they were protected by lawyer-client and executive privilege. But Mr. D'Amato finally shook the papers loose last week by persuading the Senate to threaten Mr. Kennedy with contempt of Congress proceedings.

In at least one respect, the episode is richly instructive. It shows again that the ghosts of Watergate still haunt the impoverished imaginations of small-bore inquisitors like Mr. D'Amato and Mr. Faircloth, and their journalistic allies. At the root of it all is the familiar post-Watergate impulse to criminalize normal politics.

Articles about the notes never explain privilege, which is why a president's aides (lawyers or not) are not free to discuss any political hazard to their boss. As we know, even frivolous and unfounded accusations in the press can hurt presidential effectiveness.

Here, however, the ghosts of Watergate invariably set up a great moaning and clanking of chains. In Watergate, there was indeed a huge effort in the White House to corrupt the processes of justice. So far, no evidence has been offered that any of the gatherings in the Clinton White House (such as the one where Mr. Kennedy took the notes) has had any such nefarious purpose. Yet imagined parallels persist, even when no one can cite the slightest

Washington Post Writers Group.



What the OECD Can Do

Regarding "Together We Need Balanced Counsel to Guide Our Sovereignties" (Opinion, Dec. 20) by Georges Berthoin:

Many people in favor of creating a coordinating forum for market economies or a merger of all "obsolescent" international institutions have failed to see that a strong instrument for policy dialogue and coordination already exists: the Organization for Economic Cooperation and Development.

Only the 25-member OECD, with its dialogue with non-member countries and its analytical capacity and expertise, is equipped to be the "gem" of the post-hegemonic system the wise men are seeking.

The OECD is the only relevant economic global body where all the major players can meet in a confidential setting of a "members only" club. It is a network for governments, the business world and academics. Together the OECD and the Group of Seven industrialized nations could play a prominent role in helping the world meet the challenges of the new order.

The OECD can also help national leaders deal with current problems and avoid future ones as well as spur them to coherent discussions on strategic choices. Thus the OECD can promote coordinated long-term decision-making in our capitals —

and encourage nations to learn from one another's mistakes.

PASI RUTANEN
Paris

The writer is Finland's ambassador to the OECD.

Preventive Measurements

Regarding "For Preventive Action Against Man-Made Disaster" (Opinion, Dec. 12):

J. Brian Atwood's article makes a powerful case for preventive action to forestall violent and possibly genocidal conflicts. Such preventive action could take the form of development aid to reduce poverty and unemployment and increase access to basic services; measures that are both more humane and cheaper than coping with war. It could have helped in Rwanda, and could still help in Burundi.

But the question Mr. Atwood does not answer is why such an obvious policy of prevention rather than cure is not being followed. However obvious and impressive the case for prevention may be to the professional economist or average person, it still seems far from obvious to our politicians and civil servants.

That is because they are being asked to act before the war has actually happened. If the preventive action is successful, they will be criticized that their action was unnecessary because no war happened.

What we need is objective indicators that quantitatively measure the chances of conflict. Mr. Atwood makes a start in mentioning the correlation between a country's vulnerability to collapse and high infant mortality and other factors. May we hope that Mr. Atwood's organization, the U.S. Agency for International Development, will address itself to this problem?

RIGNOLD GREEN,
SIR HANS SINGER,
Brighton, England.

Paying for the Rich

Regarding "Inequality, or Just a Competitive Edge?" (Dec. 19) by Reginald Date:

Mr. Dale misses a salient point when he dismisses advocates of greater income equality as having a "fallacious assumption that when the rich pull more of the blanket over themselves, the poor have less."

American chief executives show themselves with salary, options and bonuses to larger multiples of companies' average salaries than elsewhere in the world. Despite Mr. Date's argument, *someone* has to pay for this largesse: either customers through higher prices (which is uncompetitive) or shareholders through lower corporate earnings and value (which is unsustainable).

DAVID RIVINGTON,
Paris.

The European Invasion

Regarding "Out of Old Europe, Endlessly Pining for Bygone Glory" (Meantime, Dec. 19):

I am sorry to discover that Americans like Liesl Schillinger think their country is so weak that a movie about a buster can be responsible for its economic, social and moral deterioration. And products from Europe are flooding into a capitalist society willing to pay for the trappings of a vanished elegance? Shocking!

But maybe I should pine about the increasingly explicit violence that the American movie industry floods Europe with, not to mention the highly nutritious fast food outlets popping up at an hourly rate. Give Europe another decade and we will be pining about inheriting the obesity gene from Americans.

The problem is, if I were to blame American influence for Europe's economic and social slump, I would sound just like Ms. Schillinger: pathetically pining for bygone glory.

JOHN ELBEN,
Zurich.

What's a Tenth of a Euro?

Euro, OK. But nobody seems to have thought of, let alone discussed, a name for the change: cent, pfennig, pence, ore or what?

AKE DANIELSSON,
Villennes, France.

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HEALTH/SCIENCE

IN BRIEF

Studying the Cause of Alzheimer's

WASHINGTON (WP) — Alzheimer's disease may be the price humans pay for the ability of brain cells to recover after they are injured.

William Wallace and colleagues at the National Institute on Aging's Baltimore laboratory and at the Bronx VA Medical Center reported at the American Society for Cell Biology's annual meeting that the "amyloid precursor protein," implicated as a cause of Alzheimer's, may be part of the brain's normal system for restoring function lost when a brain cell is damaged.

A common finding in brains of Alzheimer's victims is clumps of accumulated material called "senile plaques," made up largely of fragments of the protein. It is not clear now — or whether — the plaques cause Alzheimer's but the implication is strong.

Malaria Parasite and Pregnancy

WASHINGTON (WP) — Scientists in Kenya have discovered a form of malaria parasite that specifically infects pregnant women, binding to cells in blood vessels of the placenta. There it can retard growth of the fetus, causing low birth weight and even fetal death. Other forms of the parasite already were known to bind to blood vessels in other parts of the body.

Michael Fried and Patrick Duffy of the U.S. Army Medical Research Unit and the Kenya Medical Research Institute reported that their finding explains a once-puzzling observation. It was known that pregnant women were especially vulnerable to malaria because the immune system is normally suppressed during pregnancy. But the greater risk applied only to first and second pregnancies. Dr. Fried and Dr. Duffy said their finding suggests why. After getting the placenta-binding form of malaria once or twice, the women's immune systems formed antibodies to attack it. By the second or third pregnancy, they were immune.

Hormone Level Linked to Ovarian Cancer

CHICAGO (AP) — A new study links relatively high or low levels of certain hormones to ovarian cancer, raising questions about using hormone therapies to lessen the risk of other ills.

"I think we need to really look at what is happening with our own hormones before we jump into trying to manipulate them," said the lead researcher, Dr. Kathy J. Helzlsouer of Johns Hopkins University School of Hygiene and Public Health. The findings, published in The Journal of the American Medical Association, don't suggest that currently available hormone therapies be withdrawn, only that doctors proceed cautiously with new ones.

Dr. Helzlsouer and her colleagues tracked more than 20,000 women in Washington County, Maryland, for 15 years. Thirty-one cases of ovarian cancer developed in women who were not taking hormones when they began the study and gave blood samples in 1974. Their blood was compared with that of 62 cancer-free women among the sample who also had not been taking hormones.

Ovarian cancer was found to be associated with lower levels of gonadotropins, which stimulate the production of eggs. The cancer was also linked to higher levels of androgens, which stimulate sexual drive.

BRIDGE

By Alan Truscott

IN "Tales Out of School," (available for \$12.95 from The Bridge World, 39 West 94th Street, New York, N.Y., 10025, USA), David Silver is an instructor at the fictional Mohican College. He teaches remedial English in a class called Bridge 101 while contending that bridge building is based on a "close vocabulary and context-determined syntax" and that language skills are enhanced by learning "a semantic subset of the English language."

The hilarious proceedings reach a climax when the author plays against the Devil to determine his afterlife home.

On the diagramed deal Silver is South, playing three no-trump redoubled with the Devil on his right. North is an overbidder, and the Devil's double suggests that he has knowledge of the hand.

A spade is led to the queen, and Silver has to decide whether or not to hold up. He does so, which is right when East has the heart ace. And he does. It would have been wrong if West had held the heart ace, but that was less likely.

The Devil led his last spade, and West won and played a third round. Unfortunately for Silver, an appropriately diabolical play, and the declarer was literally doomed. There was no way to take more than two heart tricks without conceding the lead to the hand with two spade winners to cash.

That meant a penalty of 400 and a step on the road to hell. To discover the result of the match, you will have to read the book.

North (D)
♦ A 10 9 7 4 ♠ Q 5
♦ J 8 2 ♠ A 4
♦ 6 5 2 ♠ J 10 7 3
♦ 10 2 ♠ Q 9 8 5 4

West (E)
♦ K 3 ♠ Q 6
♦ K Q 10 6 ♠ A 9
♦ A Q 9 ♠ K 8 7

South (S)
♦ K 10 9 8 ♠ 10 9 8 7
♦ 9 8 7 6 ♠ 9 8 7 6
♦ 8 7 6 5 ♠ 8 7 6 5

East (N)
♦ 10 9 8 7 6 5 ♠ 10 9 8 7 6 5
♦ 10 9 8 7 6 5 ♠ 10 9 8 7 6 5
♦ 10 9 8 7 6 5 ♠ 10 9 8 7 6 5
♦ 10 9 8 7 6 5 ♠ 10 9 8 7 6 5

North and South were vulnerable.
The bidding: North: 1 N.T., Pass; East: 1 N.T., Redbl. Pass; South: 3 N.T., DBL, Redbl. Pass; West: Pass. West led the spade seven.

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Weight Remains a Key Culprit in Heart Disease

By Jane E. Brody
New York Times Service

NEW YORK — Losing weight may be more effective than aerobic exercise in helping obese men reduce their risk of heart disease, a study has found.

The study, conducted over nine months among 170 middle-aged and older men, found that a 10 percent reduction in weight was more likely than an exercise program to improve blood-pressure readings, cholesterol levels and the body's ability to process blood sugar, all of which influence coronary risk.

The researchers, led by Dr. Leslie Katz at the University of Maryland School of Medicine, concluded that "weight loss is the preferred treatment to improve coronary artery disease

risk factors in overweight middle-aged and older men."

However, in an editorial accompanying a new report in The Journal of the American Medical Association, Dr. William Hazzard noted that the study was designed to prevent the men who exercised from losing weight. "American sedentary behavior," Dr. Hazzard wrote, is a primary cause of acquired obesity and the coronary risk factors that accompany it. And weight loss without an increase in physical activity is typically doomed, he said, and is "too often the first half of a futile cycle, followed by weight reaccumulation."

A second report in the journal cautioned against ignoring overall obesity as a coronary risk factor. Lately, concern has been focused on people who accumulate excess weight around the abdomen, the centrally obese, who

face as much as a threefold increase in coronary risk. But a study of more than 2,300 men and women in Manitoba found that "noncentral obesity" is not a benign condition, and in fact may sometimes be as important as central obesity, and sometimes more important, in predicting coronary risk. In the study, both noncentral obesity and central obesity were associated with higher blood pressure and higher cholesterol levels. "Noncentrally obese individuals require continued health education to reduce weight," the researchers, Dr. Kue Young and Dr. Dale Gelskey of the University of Manitoba in Winnipeg, concluded.

In most studies, efforts at weight loss have been most likely to produce long-lasting results when pounds were shed as a result of the subjects eating less and exercising more. A regular program of aerobic ex-

ercise can raise the metabolic rate and thus increase the number of calories used, both during the activity and between exercise sessions. Exercise also helps to relieve emotional stress that prompts many people to overeat.

In the Baltimore study, however, the researchers were trying to isolate the separate effects of weight loss and exercise on reducing coronary risk. Therefore, the men who were assigned to the exercise program were instructed to eat more to maintain their prestudy degree of overweight.

THE study involved healthy men who had no evidence of heart disease, hypertension, diabetes or abnormal cholesterol levels. It compared two highly touted approaches to reducing coronary risk: lowering the men's weight by 10 percent through a diet that cut

their daily intake by 300 to 500 calories, and participation in a three-day-a-week exercise program that raised aerobic capacity by at least 10 percent.

The 44 participants who completed the weight-loss program lost an average of about 20 pounds (9 kilograms) and had significant improvements in blood pressure, cholesterol levels and sugar metabolism.

The 49 men who completed the aerobic exercise program also ended up with lower blood pressure and an improvement in sugar metabolism and cholesterol levels, but the changes were less dramatic than those that resulted from the weight-loss program.

In his editorial, Dr. Hazzard said that those who favored exercise to reduce coronary risk "should not be discouraged by these results." He noted that both weight reduction and exercise lower coronary risk.

Life With Parkinson's Disease

New York Times Service

NEW YORK — When Attorney General Janet Reno announced last month that she had Parkinson's disease, she joined an estimated 500,000 to 1 million Americans with this still-mysterious neurological disorder.

Each year, about 50,000 people in the United States — most of them over 50 — receive a similar diagnosis, based on the presence of symptoms characteristic of the disease and an inability to find any other explanation for them.

Parkinson's disease results from a progressive loss of cells in the brain's motor control center, the substantia nigra. These cells produce a substance called dopamine that transmits nerve messages crucial to normal, fluid movements. Without sufficient dopamine, patients commonly develop tremors, rigid muscles, difficulty in initiating movement, slowness of movement, a stooped posture, a shuffling gait, loss of balance and sometimes a slurring of speech.

Symptoms are usually minimal at first — Reno's current symptom is a tremor in her left hand — but gradually get worse over the years. In addition to physical symptoms, depression afflicts some patients — depression that goes beyond what would be expected

after receiving the bad news of the diagnosis. And one in three of Parkinson's patients will eventually develop Alzheimer's disease, a rate three times that found in the general population of elderly people.

Parkinson's disease is chronic, progressive and incurable. When Reno announced her condition, she expressed confidence in her continued ability to perform her job and, with the aid of medications and following a regimen of self care, to remain vital for many years to come. There are a growing number of drugs and still-experimental surgical treatments to slow the progress of the disease and reverse at least temporarily many of its symptoms. But Reno's attitude may very well be her best weapon.

Mrs. Ruth Tischler, now in her upper 80s, has had Parkinson's disease for more than 20 years. The diagnosis did not stop her from traveling abroad, attending cultural events and going on shopping expeditions that would exhaust a healthy person half her age. At 85, though quite deformed by her disease, she gave herself a birthday party attended by friends and family who were envious of her indomitable spirit.

A neighbor and friend in her early 50s whose Parkinson's disease was diagnosed just last summer at first became seriously depressed by the prospect of a premature and progressive loss of her ability to continue her work as a psychotherapist, sculptor and author. But with the help of medication and counseling, she has shed the crippling yolk of depression and returned to her pursuits, although at a less frenetic pace.

The primary treatment for Parkinson's is levodopa, or l-dopa, which is converted to dopamine in the brain.

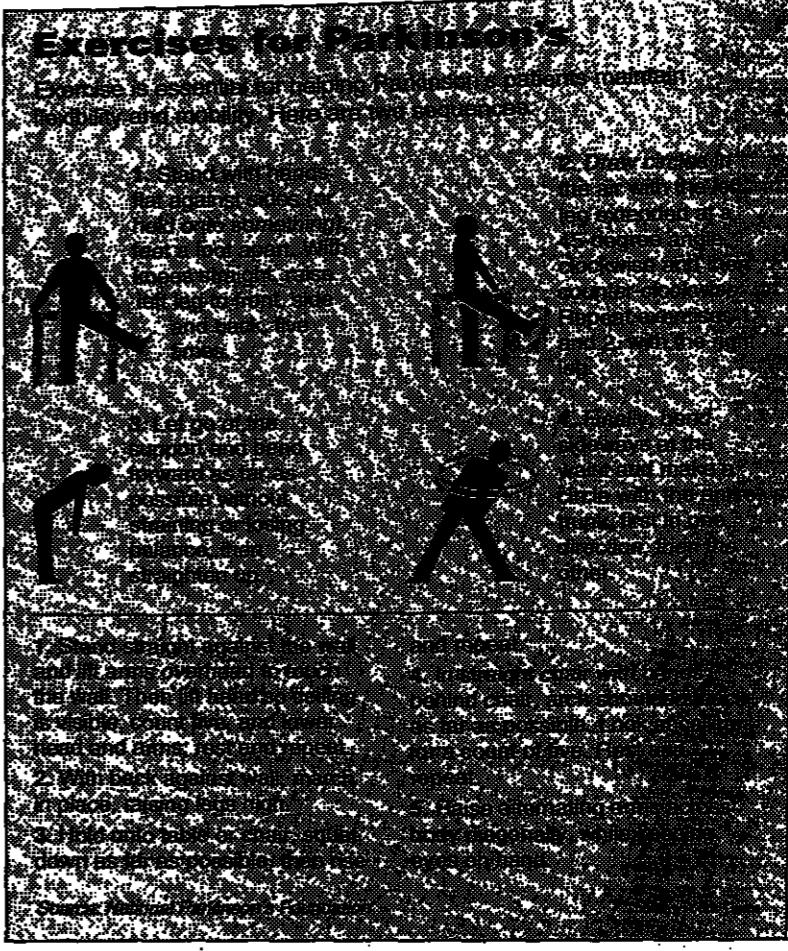
Unfortunately, l-dopa tends to lose effectiveness after three to five years, so its use is often delayed and modifications made to keep it active longer.

There are also now several drugs that

can suppress different symptoms of Parkinson's and at least one drug, Eldepryl (selegiline), that may slow its progression. Still other drugs are under study. There are indications that high doses of vitamin E may also delay the progression of the disease.

Surgical possibilities include computer-guided stereotactic surgery in the brain to relieve tremor, a burning out of hyperactive neurons in an area of the brain called the pallidum (pallidotomy) and transplants of fetal brain tissue.

Jane E. Brody



An AIDS-Killer Beckons, but Side Effects Abound

By Gina Kolata
New York Times Service

NEW YORK — When AIDS researchers discovered a new natural defense against the human immunodeficiency virus this month, they stumbled on a paradox.

On the one hand, they had found substances secreted by white blood cells that seemed to stop the AIDS virus in its tracks. On the other hand, as a cadre of immunologists could tell them, these substances, called chemokines, are closely linked to a wide variety of serious diseases in which the immune system is the culprit, either causing the disease — as in arthritis or lupus — or in reacting to an infection so strongly that the reaction itself causes serious damage.

In essence, said Dr. Joost J. Oppenheim, chief of the laboratory of immunoregulation at the National Cancer Institute in Frederick, Maryland, chemokines "give marching orders to inflammatory cells to go where you need them."

When an inflammation begins, cells release chemokines to call for reinforcements to battle the irritant, which could be anything from a bacteria to a transplanted organ.

Dr. Alan M. Krensky, an immunologist at Stanford University Medical Center, said that

drugs to block these substances.

The work on the AIDS virus, HIV, reported this month, raised hopes that it might lead to new treatments for HIV infection.

One group of researchers, led by Dr. Robert Gallo, director of the Institute for Human Virology at the University of Maryland, reported that three chemokines, called Rantes, MIP-1-alpha, and MIP-1-beta, can completely stop HIV in laboratory experiments.

A second group, led by Dr. Reinhard Kurth, president of the Paul Ehrlich Institute in Langen, Germany, working with monkey cells, reported that a different chemokine, called interleukin 16, had the same effect.

But Dr. Gallo said he had known nothing about chemokines before making his discovery.

In fact, in recent years, drug companies throughout the world have been working furiously to develop drugs to block chemokines.

"Chemokines are a very, very hot family of molecules," said Dr. Charles McKay, director of immunology at Leukosite, a biotechnology company in Cambridge, Massachusetts. "Almost every major pharmaceutical company has a program looking at the function of chemokines and trying to block them." Leukosite, in fact, was formed expressly to develop

drugs to block these substances. The work on the AIDS virus, HIV, reported this month, raised hopes that it might lead to new treatments for HIV infection.

Substances called chemokines marshall immune cells from the blood and guide them to the site of infection. First, a circulating white blood cell is snagged and slowed to a roll by receptor proteins called selectins. Then chemokines collect at one place on the blood vessel wall and signal the immune cell to adhere and to become abrasive. The traction enables the white cell to push itself through the vessel wall. The cell follows a path marked by chemokines to reach the battle site.



Source: Dr. Alan M. Krensky/Stanford University

the body fight. Immunologists say they are not certain what would happen if someone tried to treat HIV infections by injecting patients with chemokines.

Jerome Groopman, a blood researcher at Harvard Medical School, said he suspected it might be a disaster because chemokines are meant to work locally in the body. If they fight HIV, they do so in the immediate area of an infection. "It's probably a matter of a measured dose of poison," he said.

DR. Oppenheim said that when he injected chemokines into mice, it cut immune responses. The reason is that the circulating chemokines destroyed the body's ability to notice chemokines released locally. He noted that treating AIDS patients with chemokines "could make them more susceptible to infections."

On the other hand, immunologists said, it might be possible to stimulate white blood cells to step up their own local production of chemokines to fight HIV, rather than to simply swamp the lung with injections of chemokines.

Furthermore, they said, the idea that chemokines might actually have antiviral effects is so new that no one can say what would happen if the chemicals were tested as an AIDS treatment.

The joint venture between two owned together company officials said.

It nearly fell apart seven months ago as Mezzacappa complained that they were from the United States.

Enron is navigating the southern Africa against

other instances of petty rule-making or behavioral extravagance that evoke the Patton seen in "Patton," infamous as the movie Richard Nixon watched repeatedly to steel himself for the invasion of Cambodia. This is unfortunate for D'Este, who opened his biography with the expressed intent to distance Patton from "Patton."

Like the tanks, Carlo D'Este moves on to the Battle of the Bulge. Then come the final days of the war, Patton's encounters with Russians, his time as military governor in Bavaria, and his death in 1945, attended by the faithful Beatrice. Carlo D'Este is faithful in rendering the full spectrum of Patton's proclivities, prejudices and potential. "Patton: A Genius for War" could be tinkered with but can hardly be surpassed.

John Prados, a historian of national security based in Washington, wrote this for The Washington Post.

BOOKS

PATTON: A Genius for War

INTERNATIONAL Herald Tribune

BUSINESS / FINANCE

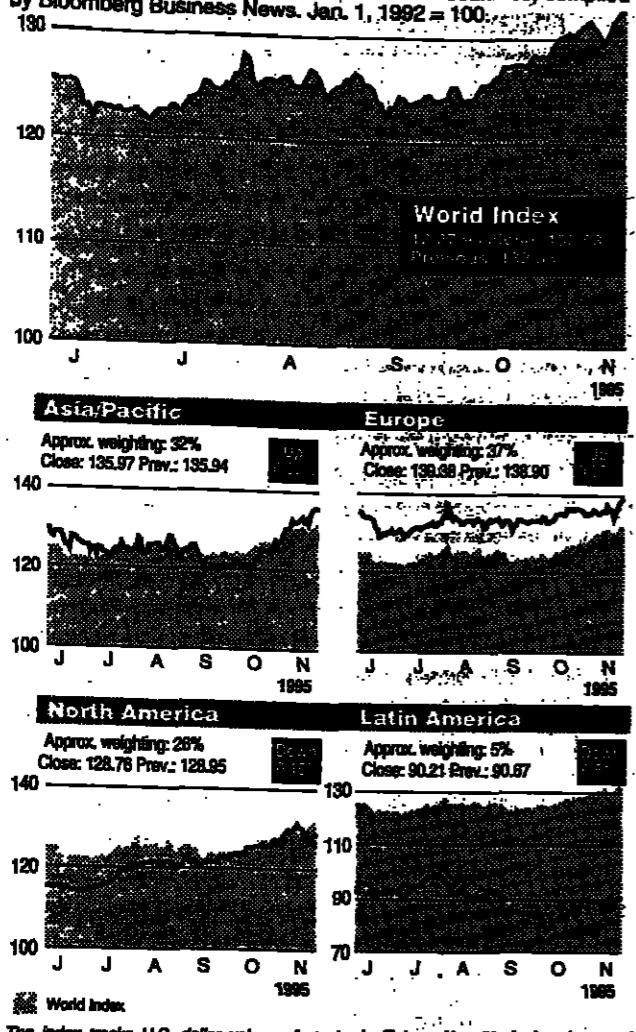
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Data Show Economic Slowdown In the U.S.

Compiled by Our Staff From Dispatches

NEW YORK — Two reports released Wednesday showed signs of a weakening U.S. economy, but the government shutdown caused by the political dispute over the budget will delay the release of further data.

American consumers turned less optimistic in December, with the consumer confidence index falling to 98.7 from a revised 101.6 in November, the Conference Board reported.

The business research group's widely followed monthly survey on consumer confidence showed that fewer Americans thought the economic environment was good, fewer thought jobs were plentiful, and fewer planned major purchases such as cars or household appliances.

Some analysts said the index was slightly weaker than expected. But the results were not considered truly surprising, as consumer confidence is tied to the labor market, and with job growth slowing and more companies announcing layoffs, consumers are less secure.

Separately, home resales declined 1.7 percent in November, more than expected, to an annual rate of 4.04 million, the National Association of Realtors said.

The decline, the second consecutive fall, suggested that declining mortgage rates were not enough to overcome home buyers' concerns about the slowing economy, analysts said.

Meanwhile, the Conference Board said it expected to release leading indicators for November in January.

"The availability of this important information hinges on a return to work by the relevant government agencies," it said.

"We currently anticipate that sufficient data will be available in early January," (Bloomberg, Knight-Ridder, AP)

Bitter Truth of Tsingtao

By Seth Faison
New York Times Service

TSINGTAO, China — Not long ago, Tsingtao Brewery Co. looked unbeatable.

With a high-quality product, a well-established name, a booming beer market and ambitious plans to quadruple production in five years, Tsingtao seemed perfectly positioned to ride China's locomotive-like economic growth.

In 1993, when the government allowed China's top companies to list shares on the Hong Kong Stock Exchange, Tsingtao was chosen to go first, and its stock was one of the hottest issues of the year.

But now, Tsingtao is going nowhere. Its profits are sagging, its stock is near an all-time low, and its expansion plans have stalled. Tsingtao managers have been reluctant to explain why the \$190 million they raised in 1993 has not been invested in expansion.

Tsingtao's story straddles a central paradox in China today.

In this country's wrenching shift from a planned to a market

economy, explosive growth has been accompanied by bumbling financial operations mired in a hopelessly inefficient system run by the Communist Party. The entry of Chinese stocks into securities markets in Hong Kong and Shanghai has been a dud.

Unforeseen difficulties are inevitable, of course, when capital markets are being built

Chinese brewer has failed to live up to its potential.

from scratch. But in China, such problems are compounded by a situation that most Western investors have a hard time fathoming: Companies that say they want to make money are still run by Communist Party bureaucrats who care more about meetings and government policy than revenues or profit margins.

Tsingtao's difficulties are especially striking because the opportunity is so great.

China's beer market is now about 118 million barrels annually, roughly 15 times as big as it was in 1980 and growing so fast it has overtaken Germany to become the world's second largest, after the United States.

But Tsingtao, which is not accustomed to entertaining questions from anyone but government officials, is almost completely indifferent to investors and analysts, offering them little information.

Of the 17 China-based companies now listed on the Hong Kong Stock Exchange, only one, Shanghai Petrochemical Co., trades at more than its original listing price. Tsingtao's shares in Hong Kong closed Wednesday at 1.79 Hong Kong dollars (23 cents), down 3 cents, well below the price of 2.80 at which it was offered.

Any analyst can list a number of reasons Chinese stocks are down this year. Many have suffered from Beijing's tight credit policy, others were

See BREW, Page 13

Rise in Output Fuels Hope for Japan Recovery

Compiled by Our Staff From Dispatches

TOKYO — Japan said Wednesday that its industrial production rose by 1.3 percent in November over October, brightening the nation's economic outlook. Economists had predicted that output would fall by 0.1 percent.

It was the second consecutive monthly rise said Japan's Ministry of International Trade and Industry. Output was forecast to rise 0.5 percent in December and another 0.5 percent in January, according to a survey of manufacturers.

"Most foreign investors were on the sidelines today, but buy orders from investment trusts underpinned overall prices," said Tadayasu Hasegawa, general manager at Kokusai Securities.

"Their buy orders convinced other investors that the downside is solid, and bargain-hunting in volatile, low-priced issues continued," he added. "When foreigners resume buying, trade will be revitalized and we can expect further gains from the 20,000 level."

The auto industry was a drag on production in November. That was reflected in the 2.1 percent drop in vehicle exports announced Wednesday by the Japan Automobile Manufacturers Association, the 11th consecutive monthly decline.

Japanese carmakers are exporting fewer vehicles because of the strong yen, a slowdown in the U.S. auto market and the shift of production by carmakers offshore.

Ministry officials warned that the government had not declared the economy to be in a state of recovery.

Moreover, some economists cautioned that inventories remained at high levels, having fallen for only the third time in the past 12 months.

(Bloomberg, Reuters)

INTERNATIONAL MANAGER

Enron Treads Warily in Africa

By James C. McKinley Jr.
New York Times Service

Beneath the rolling grasslands of southern Mozambique lies a huge reserve of natural gas that if piped to neighboring South Africa could bring \$100 million a year in hard currency to what may be the poorest country in the world. Last month, an aggressive American company, Enron Corp. of Houston, trumpeted over several competitors and signed an agreement with Mozambique to develop the field.

Enron plans to construct an 800-mile pipeline (1,300-kilometer) into South Africa, provided it can find a customer. The only problem is that during the bidding, Enron may have alienated many of the South African energy companies that were the most promising customers. Some of those companies had wanted a stake in the pipeline themselves.

"If they don't have a buyer for the gas, then Enron loses its rights," said Eric Daffern, a World Bank official. "They can't sit on it forever." Enron must find a customer by June or seek an extension from the Mozambican government.

The joint venture between Enron and the state-owned energy company took diplomacy to put together, company executives and U.S. officials said.

It nearly fell apart several times in the last three months as Mozambican energy officials complained that they were under political pressure from the United States to accept what they saw as a bad deal.

Enron is navigating the political waters of southern Africa against the background of its

problems in India, where its project to build a \$3 billion power plant in Maharashtra state was derailed last summer after nationalist politicians charged that the company had padded costs and bribed officials to get the contract.

In the end, the Mozambique accord came only after Enron agreed to give the state energy company a bigger share of the venture, Mozambican officials said. Along the way, U.S. diplomats and several senators mounted a lobbying campaign to persuade Maputo to sign with Enron.

Elements of the embassy did a bit of lobbying for the company, which I find a bit strange, because this is a commercial agreement," said John Kachamila, the minister of energy resources, who negotiated the deal. He contended that he was "told that other aid to Mozambique might be in jeopardy if this transaction was not signed."

Maputo relies almost entirely on foreign aid for its budget and receives about \$40 million a year in U.S. aid.

U.S. officials, speaking on condition of anonymity, denied that any specific threat to cut aid had been made.

"It was a little more nuanced than that," one official said. Mozambican officials were told that the U.S. Congress would be less likely to approve the same level of aid for the country if it rejected a major capital project.

"It is difficult to say we should give Mozambique \$40 million a year if it's going to take an opportunity for a \$700 million project and not do it," the official said.

But Enron is hardly home free in Mozambique.

See ENRON, Page 13

Cordis Stock Plunges on J&J Doubts

NEW YORK — Stock in Cordis Corp. stock plunged Wednesday on fears that Johnson & Johnson may terminate its \$1.8 billion agreement to buy the maker of medical devices.

Cordis shares fell \$10.50 to \$96.00 in late trading after Johnson & Johnson, which agreed last month to buy Cordis for \$109 a share in stock, said it was extending a study of the company's operations.

Some of Cordis' most successful devices are used in conjunction with Johnson & Johnson products for treating man-made yarn and other fabrics; dyes and intermediate products; plastic and limonene products, and synthetic fibers.

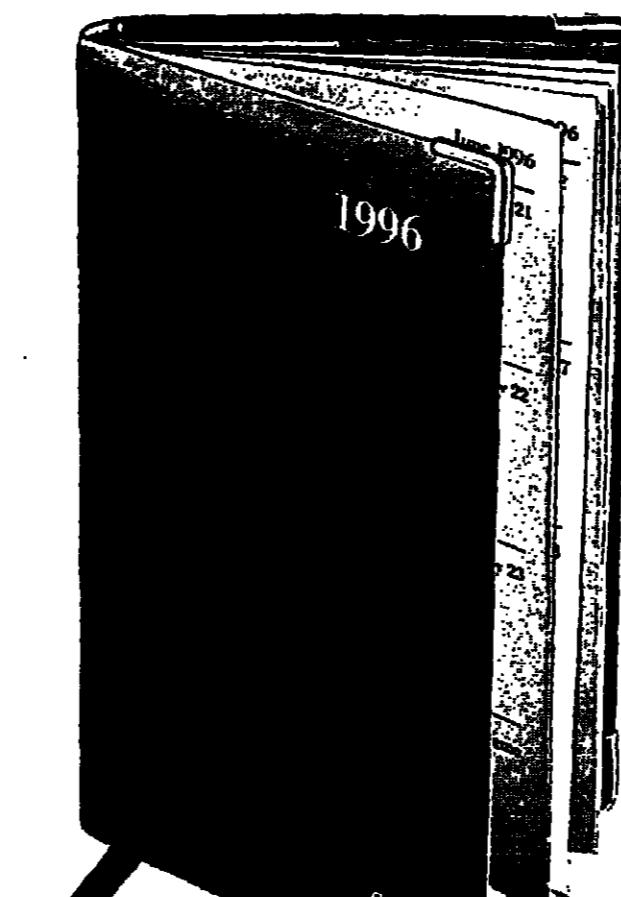
Johnson & Johnson is extending the period for it to review Cordis' finances until Jan. 22. The period had been set to end Wednesday.

Johnson & Johnson declined to say why it had extended the review or whether it was still committed to the deal. But analysts said the transaction was now in doubt.

"It is a little troubling in that maybe J&J has found something out," said Kurt Kruger at Hambricht & Quist.

Johnson & Johnson shares rose 12.5 cents in late trading, to \$86.625.

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— Corporate personalization and discounts are available.

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— Blue notepaper sheets fit on the back of the diary — a simple pull removes top sheet. 100 refill sheets included.

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Collapse of a Privatization Russia Insists STET Talks Are 'Closed'

Reuters

MOSCOW — The deal by which STET SpA of Italy was to acquire a 25 percent stake in the Russian telecommunications company Svyazinvest is definitely off, a Russian privatization official said Wednesday.

"As far as STET is concerned, it's their problem," a spokesman for the Russian Privatization Center said. "We consider this matter closed. In January, it seems a new tender will be announced, and as far as I know, STET is unlikely to participate."

In Rome, however, a spokesman for Italy's state-controlled telecommunications holding company argued that the deal was not dead.

This month, STET won a tender for 25 percent plus one share in Svyazinvest. STET had bid \$640 million for the stake, and terms called for it to invest a further \$760 million over the next two years.

But STET said Friday that it was putting the \$640 million into an escrow account until Russia could provide it with assurances about Svyaz-

invest. It said it was concerned about the ability of the telecommunications company to control its subsidiaries and to impose price increases.

Russian officials said they regarded the deal as void because they had not received the payment that was due Friday.

The Russian government owns 51 percent of Svyazinvest, a holding company set up last summer that owns a majority stake in 85 of Russia's 87 regional telephone companies.

"We don't think the negotiations are closed," a STET spokesman said Wednesday. "There are further studies needed, and we are absolutely willing to carry them out." But the Russian privatization official said the government was not conducting any negotiations with STET.

STET won the initial tender over a consortium of France Telecom, Deutsche Telekom AG and a Russian unit of US West Inc. The company denied reports suggesting it had been scared away by the success of the Communist Party in Russia's recent general election.

Russia Plans Jewel Exchange

Compiled by Our Staff From Dispatches

MOSCOW — Russian authorities will launch an exchange in January for uncut and polished diamonds, the head of the Russian association of diamond producers was quoted Wednesday as telling the Interfax news agency.

De Beers Consolidated Mines Ltd. is under consideration as a possible co-founder, Ararat Evoyan said, with other likely co-founders being the Finance Ministry and the state committee on precious metals.

De Beers and the Russian di-

amond industry adjourned talks Friday without agreement. The discussions will resume in early January, De Beers said in a statement released in London.

The company said the parties had agreed to extend the five-year sales agreement between Russia and De Beers until Feb. 1. Buoyed by the comments from both sides, analysts expressed optimism that De Beers and Russia would reach a marketing agreement, but many said negotiations would probably drag on past Feb. 1.

James Allen of the stock-bro-

kerage concern Anderson Wilson said the extension was positive, demonstrating that neither side wanted to walk away from a deal.

"I would personally expect the contract to be extended again before they reach a final agreement," he said.

Under the current deal, Russia sells 95 percent of its rough gems through De Beers's Central Selling Organization.

Russia has argued that it should be allowed to sell more stones independently.

(AFX, Reuters)

Mercedes Sees Sales Revving Up 1995 Profit

Compiled by Our Staff From Dispatches

STUTTGART — Mercedes-Benz AG said Wednesday that sales this year would be up, and the vehicle-manufacturing unit of Daimler-Benz AG forecast further gains in 1996.

Helmut Werner, chief executive, said sales this year should rise 2 percent, to 72 billion Deutsche marks (\$50 billion). Passenger-car sales slipped to \$80,900 from \$92,000 in 1994, while commercial vehicle sales rose to \$20,000 from \$20,400.

Mr. Werner said the strong Deutsche mark had cost the company more than 1 billion DM, but he said cost-cutting had offset that drag on earnings. The company expects a higher profit for 1995 despite the currency difficulties. Profit in 1994 was 1.85 billion DM. (Bloomberg, Reuters)

Bank of Israel Investigates Sale Involving Safra Family

Reuters

TEL AVIV — The Bank of Israel said Wednesday that it was investigating the 1986 sale of First International Bank of Israel after a suit was filed against the bank's owners, the Safra family.

The suit was filed by an Israeli businessman, Jack Nasser, who bought First International in 1986 and transferred control of the bank to the Safras in late 1990.

Mr. Nasser has said that in buying the bank he was acting as a front man for Edmund Safra of Republic Bank of New York.

"What we are talking about began many years ago, even before 1986," a central bank spokesman said, noting that the officials who had approved the sale no longer worked at the central bank.

First International, Israel's fourth-largest bank, is controlled by Mr. Safra's two brothers, who live in Brazil. The suit names all three.

Bloomberg Business News
PARIS — Europe's aerospace industry is expected to see the beginning of better times in 1996, as reorganizations dictated by a prolonged slump in civilian jet sales and cuts in defense budgets begin to pay off.

Aerospace and defense companies in Europe should also see further consolidation, as cost-cutting mergers by U.S. competitors and constraints on research and development budgets compel individual European companies to join forces.

In contrast, Europe's airline industry, which has returned to a profit this year, is girding for a downturn in 1997 as it prepares for deregulation.

The aerospace industry "has to consolidate in order to gain the economies of scale to compete and collaborate on more equal terms with the Americans," Dick Evans, British Aerospace PLC's chief executive, said recently.

Consolidation will help cut costs, but industry executives and analysts say most European companies need to keep slashing costs so they can compete more effectively with their American counterparts — particularly because a weak dollar, the currency used in aerospace transactions, gives U.S. companies an advantage.

At present, British Aerospace is way ahead. After four years of operating losses, Europe's largest defense contractor more than doubled its pre-tax profit in the first half of 1995, to £160 million (\$248 million).

After further reorganization charges, Daimler-Benz now is expected to post a full-year loss of around 2 billion DM, and Manfred Bischoff, chief executive of the aerospace unit, has said he does not expect the unit to post a net profit before 1997.

Deutsche Aerospace's efforts to cope with a weak dollar, including firing 8,000

workers by 1998, should narrow its losses as early as 1996, however.

Apart from Daimler's own problems, the German company will have to sort out another critical issue in early 1996 — the fate of Fokker NV.

The aircraft maker, controlled since 1993 by Daimler-Benz and partly owned by the Dutch government, risks bankruptcy unless it can win cash infusions from its main shareholders.

Battered by industry price wars, a weak dollar and high production costs, Fokker reported the biggest loss of its 75-year history for the first half of 1995, a deficit of 651 million guilders (\$406 million), and has since asked Daimler and the Netherlands for a bailout package of around 2.3 billion guilders.

Daimler in mid-December agreed to extend beyond the first of the year a line of credit that has been keeping Fokker afloat for several months. The company's fate could be decided early in 1996 in The Hague in negotiations between the government and Daimler.

Aerospatiale also is not expected to make a profit in 1995. Although its chief executive, Louis Gallois, began the year by forecasting at least a break-even result, analysts expect the weak dollar to push the French government-owned company to its fourth consecutive annual loss.

Airbus Industrie, a collaboration among Aerospatiale, Deutsche Aerospace, BAe and Construcciones Aeronáuticas SA of Spain, expects to sell more aircraft in 1996.

But Airbus, which last year narrowly edged out Boeing Co. in new orders, is unlikely to do that again this year.

European Liftoff in 1996

Bloomberg Business News

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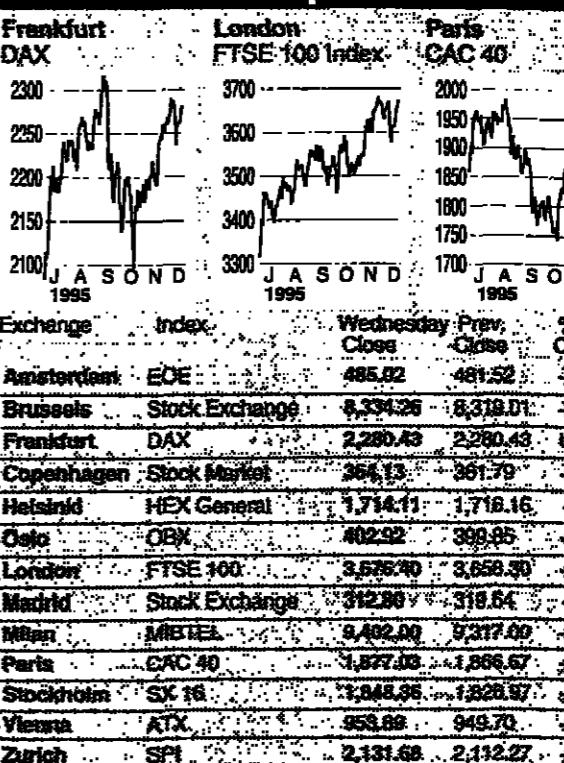
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Investor's Europe



Source: Telekurs

Very briefly:

- Heineken NV acquired a 6.9 percent stake in Zywiec Breweries PLC of Poland from Bank Handlowo-Kredytowy SA, raising its holding to 31.8 percent.
- Chelyabinsk Regional Property Fund of Russia sold a 15 percent government stake in South Ural Bauxite Mines at a special auction Dec. 15, the Interfax news agency said. The 7,715 shares were started at 20,000 rubles (\$4.31) and sold for 39,400 rubles each.
- Rostelekom, Russia's biggest telecommunications company, will split its shares 5 for 1 on Monday.
- Westdeutsche Landesbank Girozentrale plans to move its investment research into a separate unit as part of the expansion of its investment-banking activities.
- Bayer AG plans to cut about 1,000 jobs in Germany in 1996 to try to remain competitive internationally, its management board chairman, Manfred Schneider, said.
- Colonia Konzern AG's net profit for 1995 is expected to again rise about 18 percent, lifted by growth in premium income. The insurer had a profit of 161.8 million DM in 1994.

(AFX, AP, Knight-Ridder, Bloomberg, Reuters)

G-7 Ministers to Convene

Knight-Ridder

PARIS — Finance ministers of the Group of Seven leading industrialized countries will meet Jan. 20 in Paris, the Finance Ministry said Wednesday.

A spokeswoman for Finance Minister Jean Arthuis confirmed the place and date but gave no details about the agenda. Finance Minister Masayoshi Takemura of Japan had said the ministers would probably meet.

Huarte Shares Surge on Pact With Creditors

AFX News

MADRID — Huarte SA's stock jumped 12 percent Wednesday as investors cheered the construction company's agreement with its creditors that would allow the creditors to buy out the majority stake held by Huarte's parent company.

Under terms of the accord reached with five of its main bank creditors, including Banco Central Hispanoamericano and Banco Exterior de España, the banks have three months to take up the purchase option.

Huarte said the accord would permit the reopening of credit lines to the company.

Huarte's debt currently stands at 50.4

billion pesetas, including 7 billion pesetas of corporate bonds. Analysts said Huarte still owed Huarte about 12 billion pesetas for construction work carried out for Huarte's real-estate development unit.

The brokerage concern Benito & Monjardín said the agreement was "positive" but said uncertainty would remain until problems such as debt owed by Huarte and the valuation of real-estate assets were solved.

U.S. STOCK MARKET DIARY

Reuters

Dec. 27, 1995

High: 27.00 Low: 26.75 Close: 26.85 Chg: +0.05 Opn: 26.85

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Wednesday's 4 p.m. Close
 Nationwide prices, not reflecting late trades elsewhere.
 The Associated Press.

12 Month
 High Low Stock

Div Yld PE 100s High Low Last
 Low Last Chg

A-B-C

12 Month
 High Low Stock

Div Yld PE 100s High Low Last
 Low Last Chg

ABX

Philippine Airlines Goes Jet Shopping Airbus and Boeing Picked For \$2.7 Billion Outlay

Bloomberg Business News

MANILA — Philippine Airlines Inc. will spend \$2.7 billion to buy aircraft from Boeing Co. and Airbus Industrie over the next three years, a company official said Wednesday.

With its boardroom wrangle almost settled, the airline plans to buy eight 747-400s, Boeing's biggest long-distance jet, its chief financial officer, Jaime Bautista, said.

The Philippine flag carrier also said it would buy four A340-300s, eight A320-300s and 12 A320s from Airbus Industrie.

The purchases are part of a plan to expand and return the airline to profitability after Chairman Lucio Tan hammered out an agreement with the government last week to gain majority ownership of the airline.

"The chairman believes this is the only way for PAL to compete with the megacarriers and to be able to cope with the demanding market," Mr. Bautista said.

With repairs and service, he said, the cost of the fleet renewal will rise to \$3 billion.

While Mr. Bautista refused to say how much Boeing and Airbus each would receive, Boeing 747-400s cost about \$150 million each.

The order strengthens Airbus' backlog at the end of a year in which the European consortium sold few of its A340 and A330 jets in competition with Boeing's new 777 jetliner. The big loser in the order was McDonnell Douglas Corp.

"Every order is becoming very important," said Nick Cunningham, an analyst with Barclays de Zoete Wedd.

Taiwan Beams Optimism

Reuters

TAIPEI — Two years ago, law-abiding television viewers in Taiwan had a choice of three channels — state television, state television and state television.

Now, some 200 private cable operators are bringing a visual cornucopia to Taiwan's homes, attracted by a populace mad about television and the prospect of expanding from this island into neighboring China's vast market.

Foreigners are barred from owning more than 20 percent of any local cable operator, but proposed legislation is expected to allow them into the island's satellite-TV market, officials said.

"This is a very, very big pie," said Ding Nai-chu, vice president of the private Super TV. "The market is huge and has a lot of potential."

In surveys, more than 70 percent of Taiwan's residents list watching television as their favorite pastime, and Ms. Ding said about 20 million new Taiwan dollars (\$732.9 million) was spent on television advertising last year.

Ms. Ding's company, set up in October, symbolizes a move in the television industry away from the fly-by-night operators who used to illegally wire homes to receive a cable service of pirated videos.

Capitalized at 775 million dollars, Super TV is a giant in an infant industry and is considering a foreign partnership as a way to bolster its capital further.

"We are very ambitious," Ms. Ding said. "We have invested a lot of money in equipment and personnel."

"But I am quite confident that the investment will eventually pay off," she added.

Super TV plans soon to about double its capitalization, she said, and negotiations are

under way with many foreign companies. She declined to identify any of the interested foreign investors.

"Many foreign funds see Asia's newly emerging electronic media as a new channel of investment," she said. "A lot of major foreign firms have shown a high interest in Super TV. Our eventual goal is to aim at the entire Chinese market. Just close your eyes and think of how vast the mainland market is. I am very bullish."

The common language and heritage of China and Taiwan allow popular culture to transcend political differences, and Taiwan soap operas are among the most popular imports in China's market of 1.2 billion people.

The melodramatic tale "Cousin Wan Jun," which traces the love of three brothers for their alluring but confused cousin, is just one hit to have straddled the Taiwan Strait.

Although Taiwan's television products can be sold on the mainland, its broadcasters are still barred. Political tensions will have to ease before Beijing opens up, analysts said.

Betting on long-term potential, though, several Taiwan conglomerates and the governing Nationalist Party have set up their own channels. But for foreigners interested in Taiwan's market of 4 million cable households or in finding a conduit to the mainland market, legislative barriers remain.

A draft law that would allow foreign satellite broadcast companies to set up in Taiwan has been passed by the cabinet but still needs parliamentary approval, and officials said they did not know when Parliament would act.

The law restricting foreigners to a 20 percent stake in local cable television operators, however, is not up for review.

Debts Drive China Firm To Merger

Reuters

SHANGHAI — China's top securities house will merge with three other companies after incurring huge debts in bond futures trading, traders said Wednesday.

The move could herald a wave of similar mergers and acquisitions as a prolonged slump in China's two fledgling stock markets takes its toll on securities houses, industry analysts said.

Shanghai International Securities is to be merged soon with Shanghai Finance Securities, Shanghai Pudong Development Securities Co. and Shanghai International Trust & Investment Co., traders said.

The resulting entity will be called Shanghai New Securities Co., they said.

Securities authorities have agreed to the plan, the sources said, and a formal announcement is expected shortly.

"This is a real hit but was to be expected," one trader with Shanghai-based Guotai Securities said.

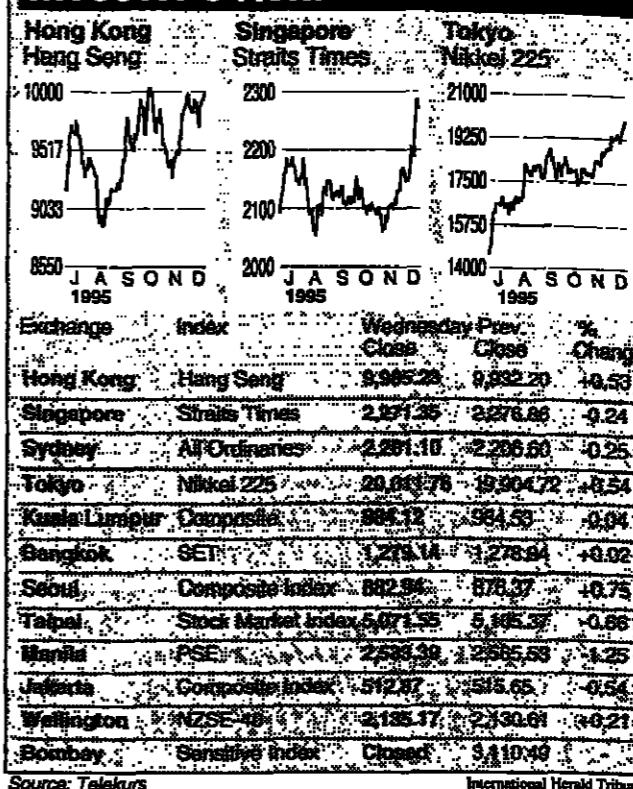
Analysts said many securities houses had run into trouble after the Shanghai and Shenzhen stock markets plunged in mid-1994 and that mergers were being accepted as a solution to some of their problems.

Beijing has tightened control over new issues and listings, resulting in loss of business for many securities firms.

The hard-currency B share markets in Shanghai and Shenzhen have fallen to record lows in the past week, while domestic A shares have hovered near six-month lows.

But the B share index rose Wednesday on bargain-hunting after several days losses, brokers said. It gained 1.1 percent, to 47.769 points.

Investor's Asia



Source: Telekurs

International Herald Tribune

Very briefly:

• South Korea will allow foreign companies to list their shares in the form of depositary receipts on the Korean Stock Exchange starting in May, the Finance Ministry said.

• Samsung Electronics Co. forecast sales of \$27 billion for 1996, up 29 percent from an estimated \$21 billion for 1995.

• Tama Nasional Bhd. expects Kuala Lumpur to rule in the first quarter of 1996 on the power producer's application for a rate increase, its chairman said.

• Chinese work units and owners of private enterprises must report employees' total monthly income to tax authorities in the new year, the State General Administration of Taxation said.

• ITL Co.'s chairman, Yogesh Deveshwar, plans a "healing" dialogue with the company's British shareholder, BAT Industries PLC. Mr. Deveshwar was elected over BAT's opposition.

• Yamaha Motor Co. formed a joint venture to produce and market motorcycles in Thailand with Siam Yamaha Co.

• Sharp Corp. established a fully owned subsidiary, Sharp Electronics Malaysia, in Selangor to supply parts for production and repair to Sharp manufacturing bases worldwide.

• NEC Corp. will increase production of mobile phones for overseas sale in the year to March 1997 at its plants in Britain, Mexico, Australia and China.

Reuters, AFX, Bloomberg

Taipei Bank Eases Rules on Funds

Bloomberg Business News

TAIPEI — The central bank announced steps Wednesday to liberalize Taiwan's financial system.

As of Monday, the bank will abolish a \$3 billion ceiling on the total amount of funds raised abroad that domestic companies can bring into the country and allow foreign stock investors to take money out of Taiwan without seeking government consent.

The bank also said it would double, to the equivalent of \$20 million a year, the amount of

new Taiwan dollars that businesses can take out of the country freely.

The liberalizations came as Taiwan's index of leading economic indicators fell 0.5 percent in November from October, the seventh decline in the past eight months, the government said in a preliminary report.

Slower growth in stock prices, the money supply and export shipments plus a decline in applications for building permits in Taipei were the reasons, according to the Council for Economic Planning and Development.

Continued from Page 9

president's national security advisor, wrote to Mapu.

Then the World Bank stepped in, concluding that Maputo was accepting too much risk. The deal was renegotiated and signed in November.

But Mozambican officials then caused a minor political controversy by complaining about the U.S. diplomats' role in the talks.

India Unsure on Deal

The cabinet of Maharashtra was continuing to discuss whether to revive Enron's power project there, the head of the state government said Wednesday, according to a Bloomberg Business News report from Bombay.

Chief Minister Manohar Joshi said a decision would be made by Jan. 15, the date lawyers are set to resume discussions on compensation for the project's cancellation. Enron has already agreed to new terms for the project.

Without sales contracts, Enron will not be able to attract the \$600 million in financing to build the pipeline, World Bank officials say.

Enron executives say they have high hopes of finding a buyer among South Africa's mining and steel companies, which could use the gas for mining operations.

Joseph W. Sutton, president of Enron Development, a subsidiary, said the talks were still in a preliminary stage.

"We are hopeful," he said. "This is very early in the development stages of this project."

The pipeline project is Enron's first foray into Africa. The company is the largest supplier of natural gas in the world, with 44,000 miles of pipelines in South America and the United States, and in recent years it has

ings, in 1994. Anheuser-Busch Cos., the American beer giant, bought a 5 percent stake.

But bad news began emerging about Tsingtao in the middle of this year.

Profit in the first half fell 49 percent, as prices of raw materials surged but competition prevented Tsingtao from charging more for its beer. More troubling, analysts looking over the company's vague annual report discovered that Tsingtao's managers had taken nearly half of the \$190 million from their share issue and, rather than investing it in plant expansion — as had been promised in a prospectus — lent it to other Chinese companies that Tsingtao refuses to identify.

Tsingtao is a prime example. It has been making beer since the Germans opened the brewery in 1903, when they colonized a section of the Shandong peninsula. As it earned a reputation for making the best beer in China, Tsingtao gained a robust 70 percent of China's beer export market.

When the company announced plans to list shares in Hong Kong, Tsingtao executives boldly proclaimed plans to dominate China's fragmented beer market, in which more than 800 breweries compete.

The response was overwhelming, and the initial offering was so oversubscribed — more than 100 times — that few investors could get in.

After Tsingtao was listed at 36 cents a share, it climbed to \$1.40, a towering 98 times earnings.

Tsingtao executives brush

away questions about their unorthodox lending.

"I don't see what the fuss is about," said Qiao Qijian, a senior executive at Tsingtao.

"Many investors from Hong Kong are concerned. But when they come to visit, they can see that everything is going fine."

Mr. Qiao said Tsingtao had been unable to invest its newly raised capital immediately because of shifting policy in Beijing and had to delay its planning throughout 1994 until a meeting was held in February 1995.

At that time, Beijing officials informed company executives about the need to shift China's alcohol consumption away from the traditional favorite, grain alcohol, because of a growing shortage of grain.

That meant beer and wine production was to be encouraged, which sounded good for Tsingtao. Yet the fact that a leading beer company's expansion was dictated by a government meeting, itself most concerned with the politics of grain production, was an indication of the way the emphasis remained on government planning rather than on market demand.

Moreover, Mr. Qiao conceded

ed, the financing of increased beer production had not even been discussed at the meeting.

Some found that short-sighted, with China's beer market entering an intensely competitive stage and foreign breweries marching into China almost daily. Asahi and Kirin of Japan and Foster's of Australia recently announced plans to expand, and Beck's of Germany and Pabst of the United States are already making beer in China.

Suntory Ltd. will launch a joint venture in Shanghai in January to expand its beer business in China. The Asian Wall Street Journal reported.

Talks between Anheuser-

Busch and Tsingtao about expanding the U.S. company's stake to 15 percent or more went sour. Anheuser-Busch executives have told colleagues at other beer companies that the deeper they looked into Tsingtao, the more pessimistic they became about the company's ability to expand its market share.

While Tsingtao is one of China's largest breweries and clearly its best-known, it has just 2.2 percent of the domestic market. Although its 70 percent share of China's beer exports sounds good, that accounts for just 10 percent of Tsingtao's overall sales.

Herald Tribune

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Oct 1974

WORLD ROUNDUP



Buddy Ryan taking field Monday, for his last game as Arizona coach.

Cardinals Fire Ryan

FOOTBALL The Arizona Cardinals coach, Buddy Ryan, whose team wrapped up a miserable 4-12 season with a 37-13 loss Monday to Dallas, was fired by Bill Bidwill, the team's owner. Bidwill said he hadn't thought about dismissing Ryan until he watched the Cardinals against the Cowboys. Ryan, also the general manager, had two years left on his contract. He was 12-20 in two years with Arizona after going 43-35-1 in five years with Philadelphia. (AP)

The current Eagles coach, Ray Rhodes, was voted coach of the year in his first season as an NFL head coach. Rhodes, formerly the defensive coordinator for San Francisco, took a team that lost its final seven games in 1994 and compiled a 10-6 record. Rhodes received 24 votes in balloting by The Associated Press to edge Don Capers of Carolina and Marty Schottenheimer of Kansas City, with 21 each. (AP)

Sports' Most Powerful Man

Rupert Murdoch, owner of the Fox Television Network and newspapers and television stations around the world, heads The Sporting News' list of the 100 most powerful people in sports for the second straight year.

Rupert Murdoch is transforming the way sports are seen around the globe," said John Rawlings, the editor of The Sporting News. "In just two years, Murdoch has built a Fox Sports programming arsenal that includes the NFL and major league baseball, the NHL, boxing and the perennially high-ratings sport of figure skating."

NBC television's president, Dick Ebersol, was second, with Nike's chairman Phil Knight, third. (AP)

Orioles Trade for Wells

BASEBALL The Baltimore Orioles obtained David Wells, a left-handed pitcher, from the Cincinnati Reds for two outfielders, Curtis Goodwin and Trotin Valdez. Wells, 32, was 16-8 with Detroit and the Reds last season.

The Chicago Cubs signed free-agent third baseman Dave Magadan to a one-year contract. Magadan, 33, hit .313 for Houston last season. (AP)

No Football for Snowballs

FOOTBALL The New York Giants said 75 season-ticket subscriptions will be canceled because of a snowball barrage during the Giants-San Diego game that left 15 injured and nearly resulted in the first forfeit in NFL history. Fifteen people were arrested and 175 were ejected. (AP)

Basketball's Biggest Kid Enjoys Life in a Candy Store

By William Gildea
Washington Post Service

ON AN unpromising bitter March morning in 1985, Maria Muresan and her 14-year-old son, Gheorghe, boarded a transit bus in the rural Romanian town of Tretienii. The diminutive woman and her tall son — he was 6 feet 8 — were bound for the university city of Cluj, some 25 miles distant. She was taking her youngest of six for a routine dental checkup.

"We need some X-rays," the dentist said. "Your teeth have not grown as fast as the rest of you." When the boy walked into an adjoining room, a startled dental technician looked up in amazement and could hardly get his questions out fast enough: "Whew. You are a big guy. How old are you? How tall are you? Do you play basketball?"

The man was shocked that Gheorghe was only 14. No, he had never played basketball. Only soccer. "I have very close friends. They teach basketball. They have a team," the man told Gheorghe. "I will call them." He called, and took Gheorghe to meet them. "Maybe I won't like this," Gheorghe told the coaches. But they persuaded him — and he stayed.

"I move to Cluj," he recalled recently, in his improving English. It took the coach a month, but they found him a pair of basketball shoes large enough. "They help me a lot. They put me in school. They give me a place to live. They give me food. Every day, 7 to 8:30 P.M., I practice. I say, 'OK, O.K. I like, I like.'"

Muresan kept growing, and his game kept improving, especially his shooting and passing. Eventually he moved from his high school and club teams to the Cluj University club team, then to Pau Orthez of the French league. In June 1993, the Washington Bullets selected him in the second round of the National Basketball Association draft, the 30th pick overall. Muresan wasn't remotely a conventional draft choice. Almost immediately, he underwent surgery in France for an overactive pituitary gland, which accounted for his height — 7 feet 7 (2.3 meters). That's taller than anyone who has ever played in the NBA.

A benign tumor on his pituitary gland had grown so large that it intruded on his optic nerve and impeded his sight; the surgery eliminated most of the tumor. He was then put on daily injections, which he still takes. The Bullets expected him to stay in France, enjoy perhaps the pleasures of Provence as he recovered, touch up his game for one more season in the French league. But Gheorghe, who does most things at a leisurely pace, surprised them. He promptly landed in America and declared himself ready to play. That the Bullets have learned, is how it is sometimes with Gheorghe. Ask for the salt, he passes the pepper.

The Bullets didn't expect him to improve from raw prospect to potential standout in fewer than 2½ seasons. He surprised them again, becoming at age 24 one of the most accurate field-goal shooters in the league. He collected 18 points and 17 rebounds in Portland during the team's just-concluded West Coast trip.

When Muresan first arrived he faced one daunting problem after another. The death of his mother. A bout with chicken pox. Passing his driver's test while barely able to read English, then losing his way on the roads.

"At first I say I cannot drive in the United States — everything is too big," he said. "There are so many streets, so many bridges. I can't remember. Now I know the route."

"He was in total darkness for so many months," said Sandra Calinescu, a friend who also was born in Romania. "But he's much more at ease now. Lili copes with reality here very well. She's really a big support for Gheorghe."

That's Gheorghe's nickname, pronounced "GEET-za." Lili is the former

Liliana Lazar, a Romanian whom Gheorghe met in Cluj and married at the courthouse in Arlington, Virginia.

One recent afternoon, Gheorghe hurried home to Liliana after a Bullets practice. He had on his usual garb: a Redskins leather jacket and gray sweatpants. He drove a creamy Cadillac sedan — his wife's car; his is a Chevy Blazer. His knees just so high they almost cradle the steering wheel.

Gheorghe needs headroom as well as legroom: he's a well-proportioned 310 pounds (140 kilograms), and there's great distance from his waist to the top of his crewcut.

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That's Gheorghe's nickname, pronounced "GEET-za." Lili is the former

Romanian people — they are Latin people," he said. "I feel very, very good in France."

Pierre Seillant, the president of the Pau team, decided to sign Gheorghe to a pro contract after Pau and Cluj had played.

"The president" — as Gheorghe calls Seillant — "say: 'We do everything we can to have him. We still are very good friends. The president is coming in for a meeting of the draft,'" Sweek said.

Two agents for ProServ, Kenny Grant and Bill Sweek, pursued Muresan. "I saw him on French TV and I couldn't believe it — he was huge," said Sweek. "And the other thing I couldn't believe, he had this velvet touch. I just thought, if people could get behind the way he looks, he had a chance."

"The key was a Romanian player on the

Pau team who translated, Mihai Pulbere.

We didn't know Gheorghe and Gheorghe

referred Mihai. He was Gheorghe's confidant, his adviser. In France, Gheorghe

averaged 18.7 points, 10.3 rebounds, 2.8

blocks. I drove him around Paris and the

things in Paris he hadn't seen were the big

beds. He wanted to stop and see the beds in

the stores."

The Portland Trail Blazers was the NBA

team most interested in him and had him

flown in from Europe for tests. The Chicago Bulls also were interested.

"I never heard from the Bullets until the

morning of the draft," Sweek said.

John Nash, the Bullets' general manager

called. He had seen a tape of Muresan. He

had seen photos of Muresan in such Eu-

ropean publications as "Gigantes del Bas-

ket" and "Maxi Basket" — including an

eye-catching picture of Gheorghe standing

next to a life-size cutout of Michael Jordan,

totally overshadowing Jordan.

"My immediate reaction was, 'Who is

this?'" Nash said. After the Bullets drafted

Gheorghe, he peered into the TV cameras

and said in English the words Sweek had

taught him: "I love this game."

The Bullets brought Gheorghe along

slowly, giving him a seat on their bench,

and providing him with an interpreter for

two years, Greg Ghyka.

"I like to stay home with Liliana," he

said.

She is happy in America. "People smile

all the time," she said. "So I like this."

"It is O.K. for now," Gheorghe said.



Gheorghe Muresan, the Washington Bullets' 7-foot-7-inch Romanian center, grabbing a rebound and keeping the ball away from Bo Outlaw, the Clippers' center, who is just 6 feet 8.

There's an unwritten rule among some Bullets: Don't split a dinner check with Gheorghe.

"The guy can eat," Ghyka said. "If he's really hungry he might have two entrees. And the waiter might question who we're expecting if we're just two people eating at the table."

Playing against Muresan can be an ordeal. During a game against the Cleveland Cavaliers, Muresan (who wears number 77 because he's 7 feet 7) and John Amaechi pounded on one another repeatedly to gain position. At 6-10, Amaechi looked short next to Muresan. After the game, he also looked weary.

"If you don't hit him, he'll post up so low to the basket it'll be a joke," Amaechi said. "He can do some damage down low with his accuracy. If you don't hit this guy, it's all over. Luckily, I have 270 pounds on my side."

The Bullets coach, Jim Lynam, had his doubts about Muresan when he was a rookie and Lynam was still in Philadelphia as general manager of the 76ers. But Gheorghe has surprised the Bullets' coach the past two seasons. Lynam praised Muresan's improved stamina, lateral movement and ability to get up and down the court. Slow as he looks, Muresan is faster than he used to be. Lynam credits the Bullets strength and conditioning coach, Dennis Householder, who in turn praised Gheorghe's willingness to work.

In scoring and rebounding, Gheorghe is putting up numbers the way he did in the French league. Will Gheorghe ever jump higher?

"No," said Lynam. "Although he's not 7-foot, he's a 7-foot-7-footer."

So what does Big Gheorghe have to do to be a finished product?

"Stop his fouls that are careless," Lynam said. "He misses a rebound, then he reaches back and tries to strip the ball from the opponent." The other thing is more mental, Barkley, Dr. J. They all have their way of getting themselves ready to play, to do it again. To do it again!

Lynam repeated, louder. He wants Gheorghe fired up for every game.

Gheorghe looked alternately pleased and concerned when asked to assess his ability, as he finished his chicken.

He looked happy because he loves to shoot and score; it's defense he must work on. "I play real hard defense," he stressed. "I do not like other team in my basket. Sometime I do stupid foul."

But his salary reflects his improvement. He received \$150,000 his rookie season, but now he's in the second year of a four-year, \$5.4 million contract. Except for occasional sprees on clothing, he's very careful with his money.

One day he visited the National Zoo. "The moment Gheorghe showed up the bear retreated into his hole," said Calinescu. We tried it a few times. Every time Gheorghe showed up, the bear retreated."

Gheorghe shoots pool in his basement and reads Romanian novels, especially detective stories.

"I like to stay home with Liliana," he

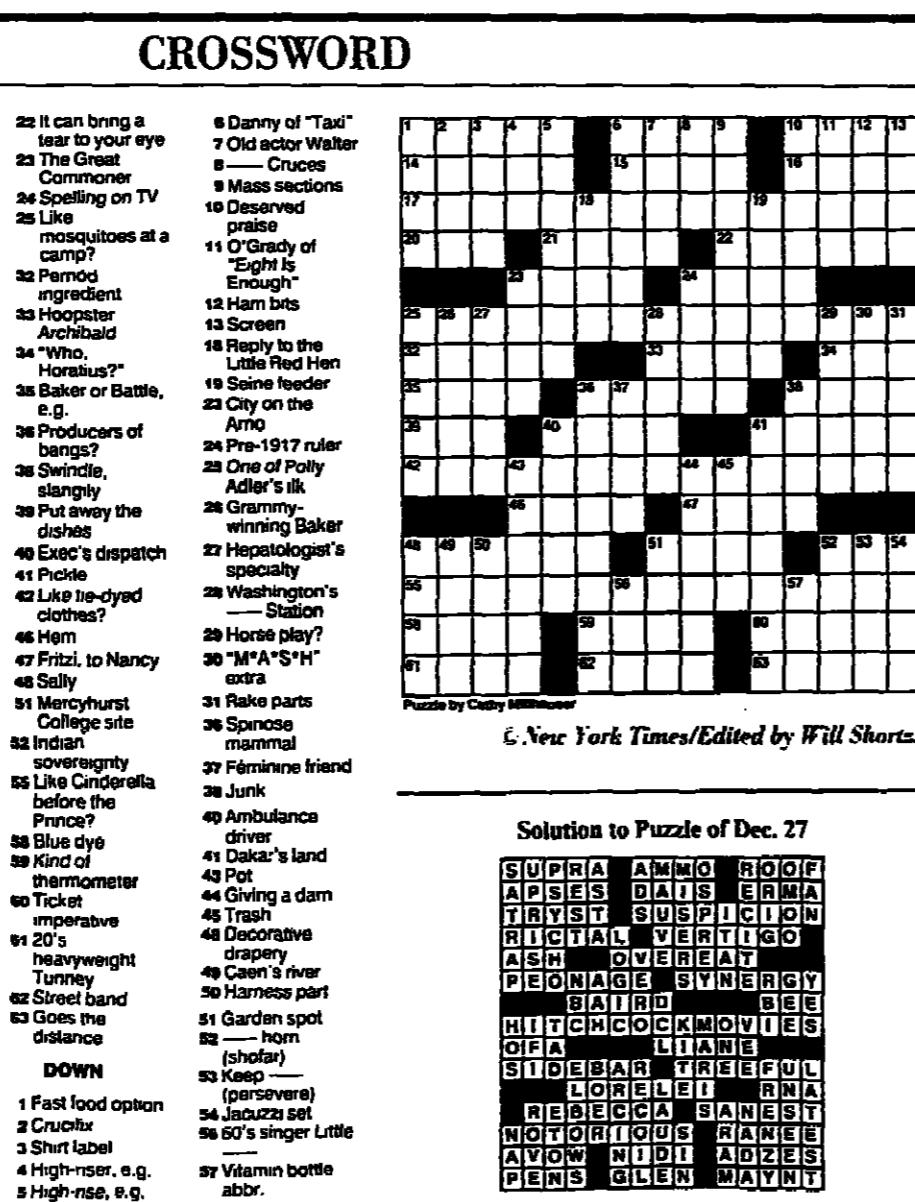
said.

She is happy in America. "People smile

all the time," she said. "So I like this."

"It is O.K. for now," Gheorghe said.

CROSSWORD



SPORTS

Home Is Where
Detroit and N.Y.
Shine on the Ice

The Associated Press

Home losses to the Ottawa Senators, the worst team in the National Hockey League for four years running — have inspired the New York Rangers and Detroit Red Wings to lengthen successful streaks at home and share of the league's points lead.

Detroit's coach, Scotty Bowman, tied the NHL record for most games coached as his

NHL ROUNDUP

Red Wings overcame an early two-goal deficit Tuesday night to win their 13th straight game at Joe Louis Arena, 3-2, over St. Louis.

In New York, the Rangers extended their home unbeaten streak to 17 as two goals early by Pat Verbeek and Mark Messier kept New York to a 6-4 victory over the Senators.

Both teams' last loss at home came against Ottawa, which fell to 7-26 this season. Each has 52 points, tied with Florida for the league lead.

After Bowman's 1,606th game as an NHL coach, tying him with Al Arbour atop the career list for games coached, he seemed unimpressed with his own accomplishment.

"It's just another game," he said after Dino Ciccarelli's goal with 7:12 remaining provided the winning margin.

Rangers 6, Senators 4 New York improved to 14-0-3 in its last 17 games at Madison Square Garden since losing to Ottawa on Oct. 22.

The home unbeaten streak is the longest current streak in the NHL and the fifth-longest in franchise history. The team record is 24, set in 1971-72.

"It was like a case of David and Goliath," the Senators' coach, Dave Allison, said.

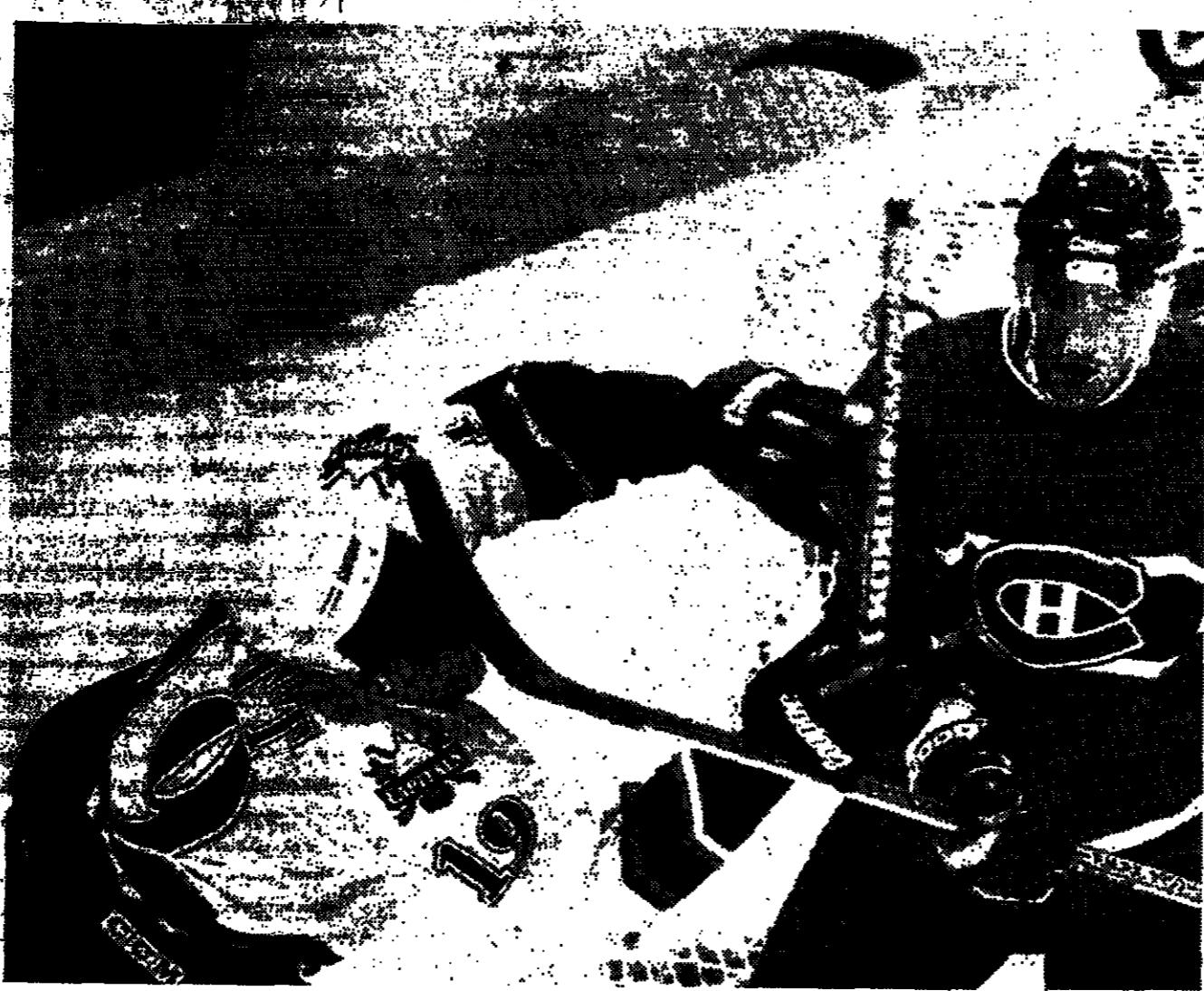
Rangers goals by Sergei Nemchinov and Messier in the third period put the game, away after Lance Pilatich tied it at 4-4 four minutes into the third period.

Penguins 6, Sabres 3 In Pittsburgh, Mario Lemieux and Jaromir Jagr remained tied for the league's goal-scoring lead as each scored his 30th and the Penguins took a 6-1 lead into the third period.

Jagr did gain ground on Lemieux in the scoring race by adding three assists to Lemieux's one, and his 72 points trail only Lemieux's 78.

Blackhawks 5, Stars 3 Dallas remained winless against Central Division teams this season after Murray Craven deflected Eric Daze's long shot past Darcy Wakaluk to break a tie with 3:59 to play at Chicago.

Islanders 2, Bruins 3 Boston's rally from a three-goal deficit in the third period was capped when the Bruins defenseman Ray Bourque picked off an errant clearing pass



Washington's Brendan Witt, left, taking the brunt of a collision with Montreal's Patrice Brisebois. The Capitals won, 4-2.

and scored with 3:40 remaining in regulation at New York.

Capitals 4, Canadiens 0 Jim Carey stopped 20 shots for his sixth career shutout, and host Washington broke the game open with three goals in a 2:21 span of the third period.

Blackhawks 5, Stars 3 Dallas remained winless against Central Division teams this season after Murray Craven deflected Eric Daze's long shot past Darcy Wakaluk to break a tie with 3:59 to play at Chicago.

Flames 4, Canucks 2 Calgary's defenseman Jamie Huscroft, who entered the season with two goals in 135 NHL games, bounced in a shot from the point at 13:14 of the third period to break a 2-2 tie in Vancouver. It was his second of the season.

Avalanche 5, Sharks 1 Colorado, leading the Pacific Division by 13 points, took a 2-0 lead just 1:39 into the game at San Jose.

Alexei Gusarov scored on a slap shot from near center ice after 31 seconds. Just 1:08 later, Scott Young scored to make it 2-0.

Bulls Lose in Cleveland,
To End December Streak

The Associated Press

After a month, the Chicago Bulls finally lost their third game of the season.

The Indiana Pacers' 103-97 victory at home Tuesday night was the Bulls' first loss since Nov. 26 at Seattle. The teams meet again Friday night at the United Center, where Chicago is undefeated this season.

"We can start another (winning streak). We've got a couple of days to practice and get back on track for Friday," said Michael Jordan, who matched his scoring average

NBA ROUNDUP

of 30 points but missed 17 of 28 shots.

Indiana opened a 21-point lead after one quarter and a 24-point lead in the second period, then held off Chicago's comeback in the fourth.

"This was the best first half we ever had. This was a very big win for us," said Rick Smits, who led the Pacers with 26 points. The loss left Chicago one victory short of matching the longest winning streak — 14 — in franchise history and prevented it from going undefeated in a calendar month for the first time. Still, the Bulls' 23-3 record leaves them on pace for a record of 75-9 or 74-10.

Either would be the best in National Basketball Association history.

Kings 115, Spurs 90 In Sacramento, the second-longest winning streak in the league also came to an end. Walt Williams scored 20 of his 25 points in the second half, helping Sacramento snap San Antonio's six-game winning streak. Mitch Richmond led all scorers with 31 points.

Hawks 114, Grizzlies 84 In Houston, the Nuggets extended Dallas' losing streak to six games as Dale Ellis scored a season-high 30 points.

"When I hit the first one, I knew I was in for a good night. I wanted to take every shot

that was available to me. I put up some that even I was surprised went in. Once you get in a groove, it's hard to miss," Ellis said.

Jazz 114, Trail Blazers 104 In Salt Lake City, Utah, the Jazz also extended Portland's losing streak to six games, the Blazers' longest skid in six years.

The Blazers used single coverage on Karl Malone. He responded with 47 points, eight rebounds, five assists and three steals.

"I was surprised not to see more double-teams," said Malone. "They felt they could play me one-on-one, which was a great challenge."

Rockets 102, Grizzlies 84 In Houston, the defending champions had a hard time shaking free of the worst team in the league.

"We were close," said Eric Murdock, who led the Grizzlies with 16 points. "We tried to hang tough with the world champions. We want to hang in there each night, and anything can happen. That's our goal, to hang around until the fourth quarter."

Heat 96, Nets 80 In Miami, Pat Riley's team avoided falling to .500 for the first time this season by winning for only the second victory in nine games — both against New Jersey.

Lakers 102, Celtics 91 Eddie Jones scored six of his 19 points in a game-ending 13-6 run that secured the victory for Los Angeles over visiting Boston.

Pistons 100, Warriors 90 In Auburn Hills, Michigan, Otis Thorpe had 26 points and 11 rebounds to lead Detroit to its fourth victory in five games. Joe Smith, a Golden State rookie, left the game with 3:58 left in the third quarter after losing his balance on a rebound and landing hard on his right hip.

Hawks 114, Grizzlies 84 In Atlanta, Steve Smith scored 22 points, Mookie Blaylock had 13 points, eight assists and four steals and Ken Norman added 20 points for the Hawks.

Raptors 83, Bucks 87 In Hamilton, Ontario, the Toronto rookie Damon Stoudamire had 21 points and 11 assists. The game, played at Copps Coliseum, drew a sellout crowd of 17,242.

SCOREBOARD

BASKETBALL

NBA STANDINGS

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CENTRAL DIVISION

WESTERN CONFERENCE

MIDWEST DIVISION

NORTHWEST DIVISION

PACIFIC DIVISION

NBA STANDINGS

TUESDAY'S RESULTS

Golden State 25, 21, 17, 27—90
Detroit 25, 22, 21, 22—100
S.E. Arizonia 29-3-14; Multi 5-12-3-12; D.C. 7-16-12-13; Atlanta 16-3-4; Boston 16-3-4; Cleveland 5-6 (Suns 10-1); Detroit 11-11; Atlanta 22 (Bucks 7-7); Los Angeles 22 (Wiz 6-6).

L.A. Clippers 19, 7, 21, 20—95
Oklahoma City 19, 7, 21, 20—94
Miami 14, 12, 23—80
Boston 12, 13, 20—80
Washington 12, 13, 20—80
New Jersey 12, 13, 20—80
Philadelphia 5, 19, 20—85

Chicago 23, 3, 20—85
Indiana 14, 17, 20—86
Cleveland 12, 13, 20—86
Atlanta 13, 14, 20—86
Charlotte 12, 13, 20—86
Detroit 12, 13, 20—86
Milwaukee 12, 13, 20—86
Toronto 17, 20—85

Orlando 23, 17, 20—85; Atlanta 17, 20—85; Charlotte 17, 20—85; Detroit 17, 20—85; Milwaukee 17, 20—85; Toronto 17, 20—85

Seattle 17, 20—85; Atlanta 17, 20—85; Charlotte 17, 20—85; Detroit 17, 20—85; Milwaukee 17, 20—85; Toronto 17, 20—85

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ART BUCHWALD

Failing Memories

WASHINGTON — The darkest secret in the lives of Americans is that their memories are failing. It's not just an age problem — it is something every person, regardless of advancing years, has dealt with.

We all live in fear that someone else will find out about us, when in fact that someone can't remember anything, either.

I discovered this accidentally at a recent dinner party in Georgetown.

I blurted out, "I don't seem to be able to remember anything any more. Whenever I think of something, I search for a pen to write it down, and by the time I find it I have forgotten what it was I wanted to remind

Vermeer Gets Encore Despite Budget Crisis

WASHINGTON — The exhibit of Johannes Vermeer paintings at the National Gallery of Art has reopened, using money from a private fund to open despite the government budget crisis.

The gallery is the second major facility to get a temporary reprieve from the shutdown of government departments due to lack of appropriations from Congress. The Smithsonian's Museum of American History also found enough funds to operate this week.

"We are able to open the Vermeer exhibition, which is of very rare event in the annals of art history," said Deborah Ziska, a spokeswoman for the National Gallery.



myself to do. Has anybody seen my spoon?"

Mike Bernstein said, "It must be the water. I'm to the point where I can't remember my wife's name."

"So?" I asked.

"I call her Elizabeth when her name is ... Damn, I forgot again."

I realized that I had opened a can of worms.

Everybody at the table admitted that he or she was losing it. Until now they also thought they were the only ones with the problem.

Rosemary Briggs said, "I took my grandchild to Safeway the other day and forgot she was with me. Her mother was furious, particularly when I tried to explain that it was not my fault. I had forgotten where I left my grocery cart."

Audrey Scott said, "I don't have trouble with people. My main problem is I never remember where I parked my car."

No one is certain why people are getting like this.

Helen Gehard said that she read an article that viruses from computers were getting into people's brains and causing memory loss.

Rosemary Sarsfield said that our brains had become over-loaded. She confided that she finds it impossible to recall when is the best time to eat oysters, or when to attend her daughter's Communion, or in both occasions have an "r" in their poor Chinese!"

"In the Heat of the Sun," adapted from a novel by Wang Shuo, is a midsummer sex comedy about teenagers under the Cultural Revolution, strikingly different from stately historic sagas by Fifth Generation directors like Zhang and Chen Kaige.

In Wen's movie there is a dash of Besson and Bertolucci, and he portrays the period as a dawning of liberty and self-expression.

"I was born in '63, and only 10, but I understood what was happening. That period opened our eyes — communism created a new generation, my generation, and the Cultural Revolution brought a breath of idealism. Directors born in the '50s make movies from a

promise that she would call me back.

A Generation Gap Among Chinese Filmmakers

By Joan Dupont
International Herald Tribune

PARIS — Jiang Wen has been on the town, up till 4 A.M. with friends from Beijing, talking about all these problems. Placing his pack of Marlboro opposite the matchbook on the table, he maps out his world view: "Over here, you have China, and over there, the West."

A popular actor, Wen, 32, has been nicknamed the Chinese Depardieu, certainly as much for his bombastic, commanding style as his screen talents. He won attention in Zhang Yimou's "Red Sorghum" and stardom in a TV series called "A Pekingese in New York." He has just presented his first film as director, "In the Heat of the Sun," to a packed house during a Chinese film festival in Paris.

A bulky figure who barks exclamations to hectic body language, Wen sports mean-looking

political point of view, criticizing or praising the regime; they have no real personality."

"In the Heat of the Sun" brims with iconoclastic humor — party-line propaganda is put down, parents and teachers are out, love and sex are in, kids triumph. Kinetic zest comes from the director's roller-coaster tempo, and his young actors.

"Choosing the actors is 50 percent of a director's job. I've been an actor for nine years, so I know how to talk to actors. I took five months to find them, and then, I shut them up in military barracks for a month of basic training. I wanted them to read books about the period, dress, talk and walk like kids in the '70s. Just like Westerners, they had mistaken ideas about the Revolution, they said 'Why make a movie about the Red Guards and all that? It's not interesting.'

Making a movie that explodes tenets about that painful time may be asking for trouble, the director concedes. "The censors were embarrassed; they didn't know how to look at my movie because it was new and dangerous, even the title scared them — the Cultural Revolution is not considered a very sunny period. They wanted cuts, and a year later, after more cuts, they released it."

One of the parts that was cut was his own, playing Monkey as an grown man. Like his young hero, the director was a rambunctious adolescent. "Nobody knew what to do with me and so they said, maybe the theater?" After high school, he auditioned for the Beijing Drama Institute. His younger brother, also an actor, studied at the cinema school and played in Zhang's "To Live" — "We have very different ideas," he says. His father is a military man, "very ordinary," and his mother, a professor, is a big strong woman — "My father is scared of her! That's where I get my strength."

His mother's father, a landowner, lost everything under the Cultural Revolution. "It was hard on him, and afterward, nobody made excuses. But my grandfather's story didn't influence me. There was injustice on both sides, and after, everybody said they were persecuted, nobody wanted to say they persecuted others. When you have power, power corrupts. In China, the professors had enormous power; the students rebelled."

This is the story he became a filmmaker to tell.

He read Edgar Snow's 1937 "Red Star Over China" — "a book that taught me a lot. I read history for inspiration because I can't get everything from my imagination, I need the concrete" — and was impressed by documentaries by Amnonim, a director who is usually admired



Jiang Wen, in striped shirt, during the shooting of "In the Heat of the Sun."

for fiction rather than for reportage. "His documentaries were more realistic than the Chinese films: You could hear the voices of the students! They believed they were changing the course of history; they had an ideal. Not like young people today who are a little tired."

Wen is identified with the Sixth Generation of Chinese filmmakers, but he calls this a convenient label. "A film is an oeuvre, and you have to judge the work, not the generation. A lot of directors are looking for a helping hand from the West. I'd love to make a movie showing how the Chinese deceive the West and how Westerners lap up this fake idea of China. What do you think? Don't you think I exaggerate a bit?"

Of course, he points out, communism came from the West. "That's why I use Western music, from Mascagni's 'Cavalleria Rusticana' to the Internationale. Some people thought that was odd, but it's normal — the Internationale is a French song."

"In the Heat of the Sun" had a big budget by Chinese standards — more than \$1 million —

which entailed a vast co-production, with funding from Taiwan and Hong Kong, and help from France and Germany. The French producer Jean-Louis Piel took 12 minutes of rushes to the Cannes festival and showed them to Volker Schlöndorff, director of the *Babylon* Stduios, who invited Wen to edit in Berlin.

The film has been a hit at home and abroad, but the director doesn't picture working in other countries; nor does he think his success will mean more freedom to make another film.

"Perhaps things were freer in the '70s, because the system was overthrown. The Cultural Revolution was a love story between Mao and Chinese youth. To me, Mao was not a god, but a great poet, he created an oeuvre."

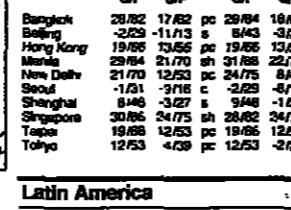
Today, there may be the risk of another revolution, Wen thinks, "because there are big new hotels and karaoke bars, but no real improvement for the working classes and peasants. Mao said that Communist intellectuals were pugnacious, and I'm not afraid to say what I think; it may mean problems, but that's the way I am."

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.



Asia



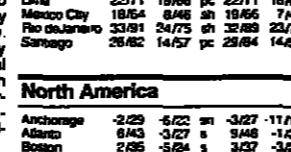
North America

Seasonably cold Friday through Sunday from Washington, D.C., to New York, with a chance of snow each day. Rainy day, then snow in Houston and New Orleans; some of the rain will turn to sleet Friday into the weekend.

Seasonably cold Saturday through Sunday in Boston and Philadelphia; warm weather Saturday and Sunday in Los Angeles.

Legend: sun, partly cloudy, cloudy, thunderstorms, rain, sleet, snow, W-weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1995

Latin America



Middle East

Seasonably cold Friday through Sunday from Ankara to Tel Aviv.

Seasonably cold Saturday through Sunday in Beirut, Jerusalem, and Amman.

Seasonably cold Sunday through Monday in Cairo, Tel Aviv, and Amman.

Legend: sun, partly cloudy, cloudy, rain, sleet, snow, W-weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1995

WEEKEND SKI REPORT

| Resort | Depth L | Mtn. R. | Res. | Snow Left | Comments |
|----------------|---------|---------|------|-----------|--|
| Andorra | 80 | 70 | Fair | Open | Had 16/12 fully open, some good skiing |
| Pas de la Casa | 80 | 70 | Fair | Open | Had 16/12 fully open, some reasonable |
| Austria | 90 | 110 | Good | Open | Pckd 26/12 34 mts open, lovely ski, new snow |
| Ischgl | 125 | 210 | Good | Closed | Pckd 27/12 16 mts open, superb Pckd skiing |
| Hinterzarten | 125 | 210 | Good | Open | 50 mts open, colder with more snow |
| Lech | 90 | 80 | Good | Open | Pckd 27/12 30 mts open, some snow, some patch |
| Oberjoch | 90 | 60 | Good | Open | Var 27/12 50 mts open, more snow forecast |
| Selbach | 90 | 60 | Good | Open | Var 27/12 50 mts open, good above 1300m |
| Schladming | 90 | 60 | Good | Open | Var 27/12 50 mts open, good above 1300m |
| St. Anton | 120 | 180 | Good | Open | Var 27/12 50 mts open, fresh snow at altitude |
| Canada | 90 | 120 | Good | Open | Pckd 19/12 fully open, excellent skiing conditions |
| Lake Louise | 90 | 120 | Good | Open | Pckd 19/12 fully open, excellent skiing conditions |
| Whistler | 90 | 135 | Good | Open | Pckd 19/12 25/29 mts open, great skiing |
| France | 90 | 100 | Good | Open | Var 26/12 44 mts open, enjoyable skiing |
| Arc 14000 | 90 | 70 | Good | Open | Var 27/12 17-18 mts open, good improving |
| Courchevel | 90 | 70 | Good | Open | Var 27/12 40 mts open, best above 2100m |
| Les Deux Alpes | 15 | 190 | Good | Open | Var 26/12 40 mts open, good above 1300m |
| Le Praz | 25 | 80 | Fair | Open | Var 27/12 20 mts open, some snow on glacier |
| Tignes | 70 | 150 | Good | Open | Var 27/12 40 mts open, good snow |
| Val d'Isere | 80 | 150 | Good | Open | Var 27/12 14 mts, new snow, avalanche risk |
| Val Thorens | 90 | 110 | Good | Open | Var 27/12 15 mts open, vastly improved snow |
| Germany | 90 | 110 | Good | Open | Pckd 27/12 all 31 mts open, new snow, great sk |
| Berchtesgaden | 90 | 110 | Good | Open | Pckd 27/12 32 mts open, all but lowest runs will |
| Garmisch | 10 | 225 | Good | Open | Pckd 27/12 32 mts open, all but lowest runs will |
| Italy | 0 | 50 | Fair | Closed | Var 26/12 14/16 mts open, 40cm at 2000m |

| Resort | Depth L | Mtn. R. | Res. | Snow Left | Comments |
|---------------|---------|---------|------|-----------|---|
| Cervinia | 30 | 230 | Good | Open | Pckd 27/12 17/25 mts open, experts of altitude |
| Cortina | 30 | 70 | Good | Open | Pckd 27/12 good skiing on majority of runs |
| Courmayeur | 30 | 100 | Good | Open | Pckd 27/12 19/23 mts, new snow, good base |
| Livigno | 20 | 40 | Fair | Open | Pckd 27/12 27/30 mts open, more skiable possible |
| Norway | 50 | 50 | Fair | Open | Ar 19/12 7 mts open, massive snow total |
| Gello | 50 | 50 | Fair | Open | Ar 19/12 7 mts open, massive snow total |
| Spain | 20 | 60 | Fair | Open | Ar 19/12 8/10 mts open, hand-packed snow |
| Switzerland | 10 | 40 | Fair | Open | Pckd 27/12 many mts closed due to wind |
| Crans Montana | 10 | 40 | Fair | Open | Pckd 27/12 10 mts open, great skiable possible |
| Devos | 20 | 80 | Good | Open | Pckd 27/12 31/35 mts open, great skiable possible |
| Grindelwald | 20 | 80 | Good | Open | Pckd 27/12 40 mts open, mostly improved snow |
| Klosters | 30 | 30 | Good | Open | Pckd 27/12 all 30 mts open, great snow, cold |
| St. Moritz | 20 | 50 | Good | Open | Pckd 27/12 12 mts open, plenty of snow, good skiing |
| Wengen | 30 | 50 | Good | Open | Pckd 27/12 10 mts open, new snow, avalanche risk |
| Zermatt | 10 | 115 | Good | Open | Pckd 27/12 47/55 mts open, more mts open |
| U.S. | 0 | 0 | 0 | 0 | |
| Brookings | 0 | 100 | Good | Open | Pckd 19/12 17 mts and 122 runs open |
| Crest | | | | | |